PAMPHLET CASE No. 12
June 2444

SPEECH OF JOSEPH POPE

OF

HON. MR. CHAPLEAU,

ON

CANADIAN PACIFIC RAILWAY RESOLUTIONS

HOUSE OF COMMONS,

16*th JUNE*, 1885.

OTTAWA:
PRINTED BY MACLEAN, ROGER & CO., WELLINGTON STREET.
1885.

L. A. Catellier

SPEECH

OF

HON. MR. CHAPLEAU,

ON

CANADIAN PACIFIC RAILWAY RESOLUTIONS

HOUSE OF COMMONS,

16*th JUNE*, 1885.

Mr. Speaker, in seconding the motion before the Chair, I wish to ask the indulgence of the House while I offer some remarks upon the wide question which the resolution embraces. My remarks will cover pretty large ground, no less than the discussion which has taken place since the inauguration of this enterprise. I shall have to refer very often to discussions that have already taken place, and for this and other reasons I shall have to ask the indulgence of the House and the permission of hon. gentlemen if I make use, more than is ordinary, more even than is allowed by custom and rules of the House, of the notes which I have been obliged to take to try and grasp the vast subject, and endeavor to do it justice. Within a few miles from Montreal, in the county represented by my hon. friend from Jacques Cartier, we find a parish and a small town with an allegorical name, a name bestowed by a man of true prophetic instinct, the noble de La Salle. He was indeed a prophet, that brave Cavelier de La Salle, when, leaving Montreal in 1679, on his way to China, he christened by the name of Lachine the spot from which he started, after having ascended the foaming rapids of that name. The dream of La Salle has taken two hundred years to be realised, but it has been realised, and the piercing whistle of the locomotive has awakened the silent wilderness of the Rocky Mountains, which were reached in 1732, after a thousand perils, by another Canadian, one of the great family

that founded the native parish of my friend from Richelieu, the adventurous Gaulthier de Varennes, sent across the mysterious continent by the Governor of La Nouvelle France, the Marquis of Beauharnois, whose name has been given to one of the finest counties of Lower Canada. Singular and happy coincidence is this! Three Canadian names, which have survived through two long centuries, are embodied in that grand idea that through Canadian territory was to be found the straightest, the shortest, the easiest, route between Europe and Asia. This recalls to my mind an utterance of Lord Carnarvon, the foresight of which must have struck all those who read it at the time. Before the Royal Geographical Society, in London, Lord Carnarvon said, in 1859:

"It is not unreasonable to look forward to the establishment of a regular system of transit, commencing from Nova Scotia and the shores of New Brunswick, passing through Canada, touching upon the Red River Settlement, crossing the prairies to the Vermillion Pass, till it reaches the gold-bearing colony of British Columbia, creating fresh centres of civilization, and consolidating British interests and feelings."

Before Lord Carnarvon, a man of mark, Major Robert Carmichael Smyth, in 1849, if I am not mistaken, pictured, in the following glowing terms the destinies of the British nation. I quote from a pamphlet on the subject of British colonial railway communications, dedicated to Haliburton, but really addressed to the Duke of Wellington:

"Did His Grace's imagination picture to his mind's eye swarms of human beings from Halifax, from New Brunswick, from Quebec, from Montreal, from Bytown, from Kingston, from Toronto, from Hamilton, from Red River settlement, rushing across the Rocky Mountains of Oregon with the produce of the west in exchange for the riches of the east? Did His Grace imagine the Pacific Ocean alive with all description of vessels sailing and steaming from our magnificent colonies, New Zealand, Van Dieman's Land, New South Wales, New Holland, from Borneo and the west coast of China, from the Sandwich Islands and a thousand other places, all carrying the rich productions of the east, and landing them at the commencement of the west, to be forwarded and distributed throughout our Northern American Provinces, and to be delivered in thirty days at the ports of Great Britain? Did His Grace weigh and consider that to the inventive genius of her sons, England owes the foundation of her commercial greatness? We will not go to the length of asserting that she retains her proud pre-eminence solely upon the condition of keeping twenty years ahead of other nations in the practice of mechanical arts? * * * * Did His Grace, in short, look forward to a grand national railway from the Atlantic to the Pacific? If not, let His Grace do so now. Let the people of Great Britain do so! Let her Colonial Ministers do so. No country can have all the blessings and advantages of England and have them for nothing! Nor can she retain them without great exertion. Her accumulated wealth cannot be allowed to remain idle, nor will it. But the undertaking proposed has a higher claim to our attention. It is the great link required to unite in one powerful chain the whole English race. Let, then, our railway kings and our iron kings, our princely merchants and land millionaires, let stirring and active spirits

of the age, the great reformers and the modern politicians, many of whom are now proclaiming through the land that economy alone can save the country, condescend, for a short time even, to consider the undertaking proposed."

We can to-day, from this House, address ourselves to England, and we can tell her: What was then asked of you, the mother country, to maintain your pre-eminence and to unite in one powerful chain your immense colonies, we have done ourselves, and we have done it alone. We have done it through our statesmen, through the princes of Canadian finance. They have asked, it is true, some assistance from that accumulated wealth which your genius had gathered, but even those advances have been secured by us in an indisputable manner. In taking up the question of the Canadian Pacific one must bear in mind that that railway project was the largest ever brought out in the world as a single enterprise. There may be found networks of railways more extensive, such as the Pennsylvania Railway, composed of several links, born of isolated enterprises, afterwards amalgamated; and it is not impossible that some European Governments may have, in the course of time, added to their systems of railways a greater number of miles on the whole surface of their country. France, for instance, has disbursed at this moment more than $300,000,000 on 9,000 miles of railway; Austria has guaranteed a sum of $250,000,000 on 3,694 miles; but in no country in the world was there undertaken, in one stretch, the construction of 3,000 miles of railway, five or six hundred miles of which traverse a mountainous region, presenting almost insuperable difficulties. That vast conception which raises our position amongst the nations of the world, which renders us the equals of our proud and powerful neighbors, should not be belittled nor discredited by those most interested in its success—the citizens of this Dominion. Unfortunately, party spirit is such, that the desire to destroy is stronger than patriotism, hatred dominates intelligence, and in certain quarters, people have come to this, that they regret that all the catastrophies which were predicted have not happened. The Canadian Pacific is the offspring of two great ideas: 1st. The necessity of uniting into one great empire the British colonies of North America as a barrier against the absorbing power of the neighboring republic. 2nd. The importance of opening to the coming millions of immigrants the vast area yet unexplored, and of finding for the commerce of Europe, and of America itself, the best, the shortest, the quickest route to the unbounded wealth of Asia. I shall not dwell here upon the wisdom of the policy that has won for Confederation

that immense and fertile North-West, and that wonderful country, British Columbia. No one has any doubt to-day upon that question. I only wish to say that out of such a sudden development of forces, there have grown sacred obligations which no good citizen should think of ever evading. The page of our official record upon which is written the attempt to repudiate our engagements will always remain a dark page in our history, whilst the most striking fact standing out in the present period of our national life, the event that has averted the stigma from us and the calamity from the nation, will be the return of the Conservative Government at the head of Canadian affairs. I know that to palliate their own shortcomings our adversaries have tried to ridicule, to bring into contempt, the Administration that had promised the construction of the Canadian Pacific within the period of ten years. Hundreds of times in this House, in their newspapers, on the hustings, they have denounced that promise as absurd, ridiculous, impossible of realisation, and men for whom I cannot help feeling great respect, on account of their high character and their intelligence, have allowed themselves to be so carried away by the errors of their party as to make the most solemn declarations, the most gloomy prophecies, prophecies, however, which have been completely and loudly contradicted by what has happened since. Five years had elapsed since a solemn pledge had been given to British Columbia that the transcontinental route would be built in ten years, when the hon. member for East York, then Prime Minister, declared as follows, in this House:

"I have been an advocate of the construction of a railway across the continent, but I never believed that it was within our means to do it in anything like the period of time within which the hon. gentleman bound Parliament and the country. I believe the bargain was an act of madness, of utter insanity, and an evidence of political incapacity that has had no parallel in this or in any other country that I am aware of. After careful examination I found that while there was comparatively little difficulty in ascertaining the probable character of the prairie country, nay, from the Lake of the Woods westward to the Rocky Mountains, it must be a work of Herculean magnitude to ascertain the exact character of the country through British Columbia and from Lake of the Woods, eastward to Lake Nipissing."

Herculean magnitude! The word was well chosen, and I call attention to it when I fully accept it as a striking illustration of the immense success that has crowned the broad policy of the present leader of the Administration, and the intelligent confidence of the party supporting him. Yes, in 1871, the project of constructing the Pacific was a sublime audacity. It revealed the foresight of the men who had conceived and brought out that great scheme. But in 1876

there should have been no room for doubt. The Premier had then before him extensive and precise information. Elaborate surveys had been made, if we can judge by the following statements of their cost, as I find them in the Blue Books:

For the section east of the Rocky Mountains:—			
Surveys up to the	30th June,	1872.....	$194,125 40
do	do	1873	345,967 52
do	do	1874.....	199,156 29
do	do	1875.....	290,873 82
do	30th Dec.,	1875	246,769 13
Making a total of.....			$1,276,892 16
Section of the Rocky Mountains:—			
Surveys up to the	30th June,	1872	$295,302 —
do	do	1873.....	215,850 —
do	do	1874.....	111,068 —
do	do	1875.....	183,656 —
do	30th Dec,	1875...	204,137 —
Making a total of.....			$1,010,015 38

Giving for all these surveys an aggregate amount of $2,286,907.54.

Shall I compare the policy, the confessions of incapacity, and the failure of the Liberal party in 1876, with the action of the Conservative party and its results, after a period of nine years? In 1876, the leader of the Government announced to the House that the works on the main line of the Pacific had reached the following points:—East of Fort William, 22 miles of grading; in the direction of Lake Shenandoaan, 13 miles of grading; and east of Red River, 25 miles of grading. I say grading only; not a rail was laid, not a piece of iron work, only grading. Three years afterwards, in December, 1878, the following was the statement of the work done on the main line:—From Fort William to English River, 60 miles with rails laid and 53 miles of grading; from Lacrosse to Selkirk, 75 miles with rails laid; from Keewatin to Lacrosse, 26 miles graded. In five years the Mackenzie Administration had succeeded in completing 125 miles of railway and 89 miles of grading, and the Dominion had already absorbed $10,203,000 from its treasury towards the great work of the Pacific. I may add, Mr. Speaker, by way of comparison, that the present Administration has secured the constructed and completed 3,121 miles of the main line and branches of the Pacific within the period of six years. And to obtain that result the Government have not, even benefited by the costly surveys of the preceding Government, whose plans and lines have been set aside from Callander to Fort William and from Selkirk to Port Moody. More than that, the company

has been obliged to change nearly 100 miles on the line adopted by the last Government.

That undertaking, to build the railway in ten years, characterised as madness, as an act of insanity, the evidence of political incapacity—that project, condemned as an impossibility for the time fixed for its execution, which demanded an effort of "Herculean magnitude" for its location alone—that project, I say, has been accomplished within six years, without any extraordinary effort, without danger, without commotion, without any burthen on the people of the country. At the rate they were going, the late Government—building 150 miles in five years—would have taken the greater part of the next century to cross the Rockies and reach the Pacific Ocean. One is led to ask the question, what would have become of the allegiance of that magnificent Province of British Columbia, to which the pledge of this Government with the solemn sanction of the Imperial authorities had been given in 1875? Stimulated by the marvelous development of the great Pacific State, California, the British Columbians, who knew that their country was as well situated, better gifted in certain respects, called by its resources to achieve high destinies, and to play on this continent as important a part as Carlifornia, the British Columbians, I say, would not have consented to stagnate and sleep in the expectation of a railway ever promised and never done. They have the noble ambition of manly work, the great school of material progress is within reach of their hand across the Straits of Fuca. Having right on their side, they would not have failed to make us pay heavily for our breach of faith in the treaties made with them. Fortunately, and thanks to the intervention of Lord Carnarvon, further delay until 1890 was granted. But it did not appertain to the late Government to save the honor of the country, since, on different occasions, the then leader of the Cabinet, whilst acepting the obligation to complete the work within fifteen years fixed for the building of the road from Port Arthur to the Pacific Ocean, declared himself unable to build the section north of Lake Superior, and I believe that the present leader of the Opposition was more emphatic in the expression of his fears. He considered the enterprise such a gigantic one—such a fantastic one, I may say—that he even then raised the question of the disruption of Confederation. On the 15th of April, 1880, he expressed the following serious and sinister views:

"I had taken occasion in the fall of 1874 to declare my individual views on the subject of the Pacific Railway. I then stated that I thought the fulfilment of the agreement with British Columbia impossible; that

unless she chose to be reasonable and to agree to a relaxation of the terms, I saw no hope of performing them; and that, if she insisted on secession as a consequence of the non-fulfilment of the terms of Union, I for one was ready to say: 'Let her go rather than ruin the country in the attempt to perform the impossible.' I have never changed that opinion, and each succeeding year has strengthened my view as to the wisdom and soundnes of such a decision."

I do not believe that any bolder words were ever uttered in this House. Nothing but the eminent position of the gentleman who uttered them could have secured them from condemnation. An ordinary member would surely have been denounced, if he had ventured so far. It was in 1880 that the hon. member for Durham so expressed his views; it was after he had been willing to join a Cabinet by which all the Carnarvon conditions had been accepted, it was after he had belonged to a Cabinet whose chief had said, on the 31st of March, 1876:

"We have felt from the first, that while it was impossible to implement to the letter the engagements entered into by our predecessors, the good faith of the country demanded that the Administration should do everything that was reasonable and in their power to carry out the pledges made to British Columbia, if not the entire obligation, at least such parts of it as seemed to be within their power, and most conducive to the welfare of the whole Dominion, as well as to satisfy all reasonable men in the Province of British Columbia, which Province had fancied itself entitled to complain of apparent want of good faith in carrying out these obligations."

Not only that, but one year later, the Opposition, to better express the new views of their chief, proposed on the 26th January, 1881, the following amendment, which was supported by their leader and all his followers:—

"Mr. BURPEE (Sunbury) moved in amendment, seconded by Mr. Rodgers, that all the words after 'that' to the end of the question be left out, and the following words substituted, 'The present construction of the Canadian Pacific Railway in British Columbia is premature, and will involve the country in an expense beyond its reasonable capacity, and will result in the maintenance of too high a rate of taxation, while the postponement of that part of the undertaking till after the completion of the prairie section, will enable it to be constructed at much less cost and within a reasonable time.'"

And all those accusations of folly, all those "impossible enterprises," that "probable dissolution of the Confederation" had no ground whatever, no figures, no arguments of any value to support them. The Opposition were aware of the engagements that bound the Dominion Government, but they had so little care for the honor of the country that they were ready to ignore those solemn engagements for a mere caprice. Well, Mr. Speaker, after all those fears, all those threats, I am able at this hour, from my place in Parliament, to say, repeating the celebrated words of Sir George Cartier: "All aboard for the west! All aboard for the

Pacific!" Yes, all aboard for the Rockies, for Columbia River, for Yale, for Port Moody, Coal Harbor and Victoria!

By the contract of 1881 with the Syndicate the road was divided into four sections, to be built as follows:—

	Miles.
Callander to Port Arthur (by the Co.)	657
Port Arthur to Red River (by the Gov't.)	428
Red River to Savona's Ferry (by the Co.)	1,252
Savona's Ferry to Pt. Moody (by the Govt.)	213
Total	2,550
Add Pembina branch	65
	2,615

On the 1st of May, 1885, we had the following result:—

	Miles.
Callander to Port Arthur (built by the Co.)	657
Port Arthur to Red River (" by the Gov't)	428
Red River to Savona's Ferry(" by the Co.)	1,252
(Less 150 miles to be graded.)	
Savona's Ferry to Port Moody	213
Total	2,550
Add Pembina branch	65
	2,615

So that out of 2,615 miles first intended to be the Canadian Pacific Railway, 2,470 miles are now built, if we include 56 miles all graded, but not ironed towards Savona's Ferry. And here is the exact amount to be spent by the company to entirely complete the railway from one end to the other:

Callander to Port Arthur	$ 773,279
Port Arthur to Red River	60,000
Winnipeg to Savona's Ferry	5,003,704
Total	$5,836,983

Up to the 30th April, 1885, the following sums have been paid to the company:—

Subsidy under the Act of 1881	$12,289,212
" " " 1884	9,126,205
Loan of 1884	20,307,600
Total	$41,723,017

Leaving a balance available for completing the contract of:

On subsidy account	$3,585,583
loan "	2,192,400
Total	$5,776,983

That is to say only $60,000 short of what is required to finish the road; so that we may now say that the road is

completed inasmuch as the means to construct it are in the hands of the company. Going back to the opinion expressed by the late Government and their unwillingness to build the section north of Lake Superior, I confess I am unable to understand the persistence of the Liberal Government in opposing the construction of the section north of Lake Superior, whilst they were ready to spend $20,000,000 for the portion of the road between Lake Superior and Winnipeg. During at least five months of the year that section to Winnipeg would have necessarily been closed, and if navigation was declared to be our only resource, we would not have been in a worse position in having to use, altogether, the American route to which we were thus forced, and in having to pass through Pembina to reach Duluth, at the other end of Lake Superior. The interest alone of the $20,000,000 saved would have allowed the Government to give material assistance to its proposed navigation of Lake Superior. And if Fort William was not to be connected by rail with Lake Nipissing, why that persistence in building, at a cost of $6,000,000 or $7,000,000, the section of the Canada Central and Georgian Bay branch to reach, at Lake Nipissing, a terminus that would not, in reality, be used as such unless connected with Fort William? Was it intended to receive the traffic that the navigation of the lake would bring there? But, then, a few more miles of navigation south of Georgian Bay would have brought that traffic to railways already built and nearer the ocean port of Montreal. It is a fact that whereas from French River to Montreal, *viâ* Mattawa, the distance is 424 miles, it is but 400 miles from Midland to Montreal. The opposition of the late Government to the construction of the section north of Lake Superior was in direct contradiction to the decision of Lord Carnarvon. The reasons for that opposition are found in the despatch of the 7th September, 1874:

"The fourth condition, says the despatch, involves another precise engagement to have the whole of the railway communication finished in 1890. There are the strongest possible objections to again adopting a precise time for the completion of the lines. The eastern portion of the line, except so far as the mere letter of the conditions is concerned, affects only the Provinces east of Manitoba, and the Government have not been persuaded either of the wisdom or the necessity of immediately constructing that portion of the railway which traverses the country from the west end of Lake Superior to the proposed eastern terminus on Lake Nipissing near Georgian Bay, nor is it conceived that the people of British Columbia could, with any show of reason whatever, insist that this portion of the work should be completed within any definite time, inasmuch as if the people who are chiefly if not wholly affected by this branch of the undertaking are satisfied it is maintained that the people of British Columbia would practically have no right of speech in the matter.

"It is intended by the Government that the utmost diligence shall be manifested in obtaining a speedy line of communication by rail and water from Lake Superior westward, completing the various links of railway as fast as possible, consistent with that prudent course which a comparatively poor and sparsely settled country should adopt.

"There can be no doubt that it would be an extremely difficult task to obtain the sanction of the Canadian Parliament to any specific bargain as to time, considering the consequences which have already resulted from the unwise adoption of a limited period in the terms of Union for the completion of so vast an undertaking, the extent of which must necessarily be very imperfectly understood by people of a distance. The committee advise that Lord Carnarvon be informed that, while in no case could the Government undertake the completion of the whole line in the time mentioned, an extreme unwillingness exists to another limitation of time; but if it be found absolutely necessary to secure a present settlement of the controversy by further concessions, a pledge may be given that the portion west of Lake Superior will be completed so as to afford connection by rail with existing lines of railway through a portion of the United States and by Canadian waters during the season of navigation by the year 1890 as suggested."

And whilst that excuse of an excessive expenditure was put forward against the building of that important part of the main line, and the importance of that part has been fully demonstrated during this unfortunate revolt in the North-West, the Government was authorising a large expenditure, which, if not wholly useless, was, at least, unnecessary for the fulfilment of our engagements under the Carnarvon award—I refer to the building of the 85 miles of the Pembina Branch—$1,600,000. There was also the famous Foster's contract of the Georgian Bay Branch, on the following conditions: $850,000 in money, $609,000 by a 4 per cent. guarantee, and $3,400,000 in lands, say a total of $4,859,000. That contract involved the necessity of spending another $1,500,000 for the 30 miles remaing between the end of the Georgian Bay Branch and the terminus at Lake Nipissing. The route between Winnipeg and Lake Superior was lengthened by 40 miles by not making it direct to Lake Nepigon, thus adding an expenditure of at least $1,600,000. There was also the subsidy to the Canada Central, $1,400,000. The Government was willing to spend $6,000,000 on the Nanaimo line, on Vancouver's Island, a work which could easily have been delayed. So that at the moment when they declared the building of the section north of Lake Superior an impossibility, the Government of my hon. friend from East York, breaking in that respect a sacred engagement on the plea of too large an expenditure, undertook to the amount of $16,959,000 works, the postponment of which would not have signified and would have not been a violation of our engagements. I do not wish to enter into a discussion of the merits or the utility of those works; this is not the time to do so. I only want to state that the then Government was not unwilling

to spend a sum of $16,959,000 on works which were not included in our obligations, and that they refused to undertake the works which the Imperial arbitration had ordered us to complete. I want to state that the Government of the hon. gentlemen on the other side hesitated, pleaded, refused, and then unwillingly consented to build 1,900 miles of railway from Lake Superior to the Pacific coast in fifteen years, and as a contrast to show the present Government completing 2,400 miles of the main line and 701 miles of branches in six years, saving the good name and the pledge of the country, and opening, five years sooner, the door to that great commercial prosperity which must follow the completion of our great Canadian transcontinental railway. I know what answer our friends on the other side will give us. It is invariably the same answer, and it is an easy one, avoiding all effort in the direction of accuracy: "You have been extravagant with the money of the people; you have obtained the rapid execution of those immense works at the expense of the public chest." Nothing is more unjust, Mr. Speaker, nothing is more untrue than that assertion thrown in our faces in the place of an answer. Who has forgotten that once the Mackenzie Government offered to any company willing to build and then become the sole proprietors of the 2,797 miles of the Canadian Pacific, the following terms: Subsidy in money per mile, $10,000; 4 per cent. guarantee during 25 years per mile, on $7,400; land subsidy, per mile, 20,000 acres. I say that the guarantee of 4 per cent. was on $7,400 per mile, although the call for tenders did not mention the sum, but the Government could not give less, having themselves chosen that proportion in the Foster contract. That offer represented in round figures: in cash subsidy, $27,970,000; by the 4 per cent. guarantee, during 25 years, $20,977,500; by 55,240,000 acres of land at $2 an acre, $111,880,000; or a total of $160,827,500. That assistance was a complete gift for the building of the road, and we can compare it with similar items in the subsidy granted to the Canadian Pacific Railway by the present Government, which are as follows:—

Sections built by the Government and given to the company	$29,500,000
Cash subsidy	25,000,000
25,000,000 acres of land, at $2 an acre	50,000,000
	$104,500,000
The surplus offered by the late Government being	56,327,500
	$160,827,500

I need not add that the class of road we present to day to

the country is, to say the least, not inferior to the road which the late Government expected to get under the most favorable circumstances by their offer, and far superior to that road with regard to equipment, terminal facilities, connections and branches. And it is far superior to the expectations of the people, who had already been informed that the estimates for the road, as prepared by Mr. Sandford Fleming in 1879, were estimates for a cheap road, covering only $1,300 per mile for rolling stock, and not allowing more than $13,000 per mile for construction of the prairie sections. The present company has already a rolling stock of the value of more than $3,000 per mile, and if we grant them the power of raising the $15,000,000 additional contemplated by the measure proposed, another $1,000,000 is to be added at once to the value of the rolling stock of the company's road, so that instead of having a road equipped to the extent of $5,100,000 on 2,550 miles of the main line, if we take the calculations of the hon. member for Durham at $2,000 for a mile, we shall have the same length of road, 2,550, equipped to the extent of over $9,000,000, not including the branches. On that single item we have a net gain, in favor of travelling accommodations and accommodations for traffic, of $4,000,000.

Mr. BLAKE. Hear, hear.

Mr. CHAPLEAU. My hon. friend says "hear, hear." I have taken his own figures for the estimates I am giving the House. Those figures of his, I may say, have varied immensely since the hon. gentleman first began to discuss this question in the House. If his political opinions had varied to the same extent he would, by this time, be sitting on this side of the House, and perhaps be a colleague of the right hon. First Minister. His estimates have varied like his appeals and demands on the Government for a different construction of the railway, and it is in spite of the hon. gentleman that the road has been built at all. I might also remark that the company have largely exceeded the 2,797 miles to which the contractors by the late Government for main line and branches were limited. They have added 712 miles to their line of 2,550 of main line and 65 miles of branch, which is now 3,327 miles, not including 600 miles of leased lines. The terminus has been extended to Montreal by the purchase of 345 miles of road and the expenditure of over $4,213,753. Another sum of $4,000,000 has been expended to secure access to the Atlantic seaboard. The system of railways which the company now

controls in Ontario has cost over $5,000,000. There remains comparatively but little to do to reach Sault Ste. Marie and the American North-West, the Algoma Branch having already cost $2,000,000. In one word, the company has expended, and wisely expended, over $15,000,000 of its own resources to add to the earning capacity of its main line and to complete its vast and uninterrupted system of transcontinental transportation. My hon. friends on the other side would be the last to find fault with those changes, with those improvements. The gravest charge which the hon. gentleman brought against the Government in 1880 was that we were not building a road sufficiently solid and complete. The present leader of the Opposition, speaking on the 15th of April, 1880, said:

"But except by most seriously degrading the road, by altogether lowering the style of construction, by changing it from a good, through line to an inferior colonisation road, it will be necessary, according to the estimates of the hon. member for Lambton, if they be correct, to expend a very much larger sum than the hon. Minister calculates, to reach this result. On the other hand, we must look to the ultimate conversion of the road into a first-class road, a cheap carrying road, for the North-West, without which it will be useless for that long stretch of country towards Battleford and beyond, for the grain will have to come down along the Pacific Railway a great many miles before it reaches Selkirk or the Red River. The House must remember that, according to the theory on which the hon. Minister advocates the completion of the road, he is bound to give reasonable grades and curves to the prairies of the west. * * * Again, of course the through traffic depends on the road being first-class, and we must remember that after we have spent all the hon. Minister proposes, we shall have, not a Pacific but a colonisation road."

It is true that my hon. friend has travelled from one side to the other on that point. One would think, from his utterances at the beginning of this Session, that he is now making it a crime for the company to have given the country a first-class road. He seems to be afraid that the road is too well built to be able to carry freight at cheap rates. He is scandalised at the announcement that a first-class road has cost in the prairie section as much as $16,000 or $17,000 a mile, and he charitably insinuates that dishonesty or incapacity must have presided at the building of that work. In 1880, the Minister of Railways, Sir Charles Tupper, gave instructions to the Chief Engineer to construct a cheap road. We see, in his letter of the 15th of April, 1880, this passage:

"With regard to the location and character of the railway, I am aware that your own preference has been for a line with light, easy gradients. The Government recognises the advantages of this feature between Lake Superior and Manitoba, but west of Red River we attach less importance to it than to the rapid settlement of the country and the immediate accommodation of settlers. The policy of the Government is to construct a cheap railway, following or rather in advance of settle-

ment, with any workable gradients that can be had, incurring no expenditure beyond that absolutely necessary to effect the rapid colonisation of the country."

And in further evidence of what I want to demonstrate, I shall cite an extract of Mr. Fleming's report in answer to the above letter:

OTTAWA, 15th April, 1880.

"SIR,—I have the honor to submit the following estimate of expenditure necessary to place the Canadian Pacific Railway in operation from Lake Superior to Port Moody. West of Red River, 100 miles have been placed under contract, and tenders have been received for a second 100 mile section. These two sections are designed to be constructed and equipped in the most economical manner, dispensing with all outlay except that necessary to render the railway immediately useful in the settlement of the country. It is contended that the line be partly ballasted to render it available for colonisation purposes, full ballasting being deferred until the traffic demands high speed. It is intended to provide sufficient rolling stock for immediate wants, postponing full equipage until the country becomes populated and the business calls for its increase.

"On this basis and on the other data furnished, the railway may be opened from Lake Superior to the Pacific coast within the following estimate:

Fort William to Selkirk (406 miles) with light gradients, including a fair allowance of rolling stock and engineering during construction			$17,000,000
Selkirk to Jasper Valley (1,000 miles) with light equipment, etc.			13,000,000
Jasper Valley to Port Moody (550 miles) with light equipments etc.:—			
Jasper to Lake Kamloops,	335 at	$43,660	$15,500,000
Lake Kamloops to Yale,	125 at	80,000	10,000,000
Yale to Port Moody,	90 at	38,888	3,500,000
			$29,000,000
Add.			1,000,000
			30,000,000
Total miles, 1,956			$60,000,000

"The above does not include cost of exploration and preliminary surveys throughout all parts of the country north of Lake Nipissing to James' Bay in the east, and from Esquimault to Port Simpson in the west, between latitudes 49° and 56°, not properly chargeable to construction, $3,119,618, or the cost of the Pembina Branch, $1,750,000, or with other amounts with which the Pacific Railway account is charged."

Another report of the Engineer-in-Chief to the Minister of Railways, dated Ottawa, 16th April, 1880, says:

"In compliance with your directions, I have the honor to consider the cost of the eastern section of the Pacific Railway extending from Thunder Bay, Lake Superior, to the eastern terminus, Lake Nipissing.

"It is impossible to say what labor and materials may cost some years hence, when the period arrives for the eastern section to be undertaken. Taking the basis of present prices and present contracts, and adhering to the economic principles of construction set forth in the letters of yesterday, I feel warranted in stating that $20,000,000 may be considered a fair estimate of the cost of opening the line from Fort William to the eastern terminus.

"In order that the estimates of the cost of the line from Fort William to the Pacific and from Fort William to the eastern terminus near Lake Nipissing, be clearly understood, I deem it proper to submit the following explanations:—

"I have in previous reports laid before Parliament, advocated a location for the railway with generally light gradients and other favorable engineering features. The policy of the Government, as stated in your letter, likewise the change of line by the abandonment of the old location west of Red River, render it necessary on my part to modify the views I have previously held. * * *

"I have likewise estimated the amount of rolling stock as limited to the extent considered absolutely necessary for colonisation purposes, and I have not overlooked the fact that the transportation of rails and other materials, after our own line from Lake Superior to Manitoba shall have been completed, will be reduced to nominal charges to cover actual outlay, instead of the very high rates we have been compelled to pay by the railways in the United States.

"It must be borne in mind that if present defined policy with respect to the gradual progress of the work be modified, or if the extent of the work be different from that assumed, or if its general character be altered, the cost may be affected by the change. The same result may be looked for if a higher price has to be paid for materials, or for labor, and if through these or other causes the contractors failing to perform what they have undertaken, the work in consequence has to be relet at higher prices. Under these circumstances the cost of the whole line may be increased. * * *

"The estimate submitted is based on the data set forth, and on that data the whole main line, from Port Moody, on the Pacific coast, to the eastern terminus, in the neighborhood of Lake Nipissing, may be constructed in the manner and under the circumstances referred to, for about $80,000,000. But to meet any of the possible contingencies to which I have referred, I beg leave to recommend that in considering the subject of capital required for the undertaking, a liberal percentage be added"

My hon. friend from Durham was greatly scandalised when he read the documents I have just quoted, and he took the first opportunity that presented itself to lecture the Government upon that point. He laid special stress upon the fact that the prairie section would not be built for $13,000 a mile. All that part of his speech in the Session of 1880 is worth quoting; I shall content myself by adding to my last quotation, the following:—

"It would be very easy to tell, if only it were convenient to let us know, what the estimated cost of the equipment is. It is included for example in the estimate of $13,000 a mile for the prairie road. But the hon. Minister of Railways would not tell us how much he could squeeze out for equipment in dollars from the $13,000 a mile, and I am not surprised because I dare say he would have to go into decimals to give it to us. When you recollect that an adequate rolling stock, according to the former estimates, costs $2,000 a mile, that the steel rails, plates and fastenings, cost many thousands more per mile, you will find how very little remains of the $13,000 a mile to construct the railway.

"At a point seventy miles north-west of the longitude of Edmonton, you get to the end of the prairie. * * * I take, therefore, the longitude of Edmontod which is also the point of divergence, in case a northerly route should hereafter be adopted, as for present purposes, the point of separation between the prairie and the British Columbia sections, and my hon. friend from Lambton, upon all the information which the official documents and the engineer's report give, added to his own

knowledge (assuming the continuance of the same gradients and curves and the same style of construction and equipments, which were always intended up to the time he resigned) estimates that the 256 miles from Edmonton to the summit would cost $9,400,000, which, added to Mr. Fleming's and Mr. Smith's estimates of over $36,500,000 for the road from the summit to the Pacific, would give a total of over $45,000,000 as the cost according to the old estimates.

"From Selkirk to Edmonton, according to the old grades and styles of construction, the hon. member for Lambton estimates at $17,650,000, * * * I do not think we can decide that $13,000,000 will pay for the work according to the present plan of construction." * * *

Well, Mr. Speaker, we have before us a most extraordinary fact, Mr. Sandford Fleming having said in his report: "Selkirk to Jasper Valley (1,000 miles) with equipment $13,000,000." The hon. member for Durham comes up and, fortified with the opinions of the hon. member for East York, says: 'Jasper Valley to Edmonton (256 miles) $9,000,000; Edmonton to Selkirk (744 miles) $17,000,000—$26,000,000." Exactly double the chief engineer's estimate. The hon. gentleman was not afraid to put his reputation at stake and to declare from his seat, a place which allows its occupant to say only what he believes is true; "the section will cost $26,000 a mile." And if we take his estimate for Selkirk to Edmonton, alone, that is to say 744 miles at $17,000,000 it is $22,850 a mile. And now, Mr. Speaker, what do we see? The hon. gentleman getting up in his seat and saying: "My calculations of 1880 were all wrong, the Minister of Railways whom I was then fighting was right; I now declare emphatically that dishonesty or incompetency alone can have absorbed $16,000 a mile in that prairie region which I said, five years ago would cost $22,000 a mile."

Mr. Speaker, the whole country must congratulate itself upon the happy result we have obtained to-day. Surely there must have been at times a great deal of uneasiness, not to say fear felt, in the community, if public opinion could have been affected by the declarations of my hon. friends opposite. It is within the recollection of everyone that the most fabulous statements were made as to the cost of the railway, and the hon. leader of the Opposition was far from reassuring the public mind, by his elaborate calculations upon the subject. He once informed us that the Pacific would cost the country no less than $144,500,000 in cash. I am not exaggerating, Mr. Speaker. I quote from the hon. gentleman's speech at the sitting of this House on the 15th April, 1880:

"There are 550 miles of a very difficult road to build from Jasper House to Port Moody. For a part only of that road, for the 493 miles between the divide and Port Moody, Mr. Fleming's estimate was about $36,000,000. The estimate of Mr. Smith was $36,500,000, and the esti-

mate of Mr. Cambie was, I think, $31,000,000. But the average estimate of the Chief and Assistant Engineer may be said to be over $36,000,000 for this 493 miles, which would run up the 550 miles to $40,000,000. The Canada Central Railway subsidy reaches $1,440,000; the surveys, including those location surveys, which, after all, come out of the pockets of the people, whether called exploratory surveys or location surveys, amount to $4,000,000. The road from Fort William to Selkirk was estimated at $17,000,000; the Pembina branch cost $1,500,000, and adding $100,000 for the Red River bridge, we reach a little over $15,000,000. From Selkirk to Edmonton, according to the old grades and style of construction, the hon. member for Lambton estimates at $17,650,000, which, added to the $25,000,000, makes a total of over $42,500,000 as the amount, including what has been spent for surveys which it will have cost the country, irrespective of interest and construction to reach the point which I suggest as the reasonable terminus for the prairie section of the road. * * *

"According to the old system of construction, that central section would cost, including the other items, I have mentioned, altogether over $42,500,000, leaving out entirely both ends. What are the ends to cost? $45,000,000 is, as I have stated, the cost from Edmonton to Burr's Inlet on the west; and from Fort William to Nipissing on the east, the hon. member for Lambton estimates at a length of about 650 miles and a cost of $32,500,000. Thus the ends make up together $77,000,000, the centre past expenditure $42,500,000, making a total of $120,000,000 and that wholly exclusive of the legitimate and necessary charges which must be added in all cases, the charge for interest during construction. * * *

"Taking the estimates of ten days ago, if $60,000,000 are expended in the next ten years, there will be a total of over $24,500,000 for interest, calculating interest on future loans at 5 per cent., the lowest rate, as I believe, at which the money can be raised.

And even, during the last Session what did the hon. member say:

"It is quite true that I submitted to the House, as a result of the calculations of my hon. friend the member for East York (Mr. Mackenzie), based upon the estimates of the engineers up to that date, the probable cost of a first-class railway, from Callander to Port Moody, at the sum he mentions—$120,000,000. That is perfectly true; I do not understand that the hon. gentleman now finds fault with that estimate. He did find fault with it——

"Sir CHARLES TUPPER. No, no.

"Mr. BLAKE. Yes, he said to-day that he could not controvert my argument about his estimate being too low, because my estimate was true. I venture to say that I heard a great deal of complaint against my argument when I used it. I was told that it was extravagant, and the hon. gentleman thought it was too much altogether; but neither my hon. friend from York nor myself was responsible for more than this, that the estimates were the fair results of the estimates of the engineers laid on the Table of the House and printed in the Sessional Papers. I believed them to be so, and that was all we said. I say that the estimates of the Canadian Pacific Railway Company last year came exactly to that figure. They were to spend $91,000,000 on the road from Callander to Port Moody. The Government sections were to cost $28,000,000; and if you add $28,000,000 to the $91,000,000, you get just about $120,000,000, as nearly as possible; and if you allow a trifle—if the hon. gentleman would be bending enough to-night to allow a trifle or so for the $5,000,000 for surveys—you will find that the estimate of the company last year does accord with the estimates of the engineers made so long before."

That road which was to cost us $120,000,000, not counting

the interest, we have to-day for $52,000,000 in cash disbursed by us, with 712 miles of branch lines and 600 miles of leased lines in addition to the road upon which the hon. member for Durham made his calculations. And instead of being obliged to pay 5 per cent. on the money we want, we have borrowed at 4 per cent. and at 3½ per cent.

Mr. TROW. I rise to a point of order. I read a few extracts and was called to order by the hon. gentleman. The hon. gentleman is now reading his speech.

Mr. CHAPLEAU. Let us see now what this Government will show us, next fall, when the road will be completed? What has been done, during these six years of power, for that gigantic work which my hon. friends from Durham and from East York declared an impossibility so far as execution was concerned and the conception of which they termed "an act of insanity?" We have before us two estimates for that work; Mr. Fleming's estimate, $80,000,000; Mr. Blake's estimate, $120,000,000, or an average of $100,000,000, and this calculation is based on the main line alone, without reference to the branch lines:—Mr. Fleming's estimate allows only $1,300 per mile for rolling stock, I find that proportion of rolling stock repeated in Mr. Schreiber's estimates as published in 1884, page 211 of the 9th volume of the Sessional Papers. The $80,000,000 estimated cost of the building of the road is thus reduced by $3,387,800 leaving a balance of $76,612,200. Let us compare that sum with the actual cost of construction of the road as it stands to-day:

Cash subsidy	$25,000,000
Built by the Government	29,646,148
Loan of last year	29,880,912
New obligations of this year	15,000,000
Land grant bonds	8,702,086
Town sites	504,675
Paid on stock	29,568,123
Bonuses	232,660
Earnings	1,456,318
Surveys	3,263,482
	$143,254,344

Deducting from that sum:—

1.	Balance of the deposit to pay dividends	$ 14,288,287
2.	Paid dividends	5,378,000
3.	Interests paid by company	1,389,474
4.	Equipment	7,359,930
5.	Steamers	697,369
6.	Advances to the South-Eastern Railway	1,595,280
7.	" " St. Lawrence and Ottawa Ry.	227,155
8.	" " Atlantic and North-West Ry.	202,837
9.	" " Manitoba South-Western Colonisation Company	1,254,678
10.	" " Ontario and Quebec and to the Credit Valley Railways	1,265,450

11.	Acquired lines	8,981,955
12.	Branch lines	4,605,172
13.	Displacing 100 miles near Winnipeg	400,000
14.	Renewing inferior material building	255,000
15.	Indemnity to Manning, Macdonald & Co	393,000
16.	Shops and machinery near Montreal	903,165
17.	Construction plant, outfit and tools	208,291
18.	Real estate at or near Montreal	408,207
19.	Grounds and building at Winnipeg (To be taken out of the $15,00 ,000 now asked for.)	1,040,701
20.	For cars and material	1,000,000
21.	For elevators, terminal facilities	1,000,000
22.	For workshops on nine different points	600,000
23.	To reach Coal Harbor	760,000
24.	Snow sheds in mountains	450,000
25.	Lake Superior	160,000
26.	Terminal facilities at Quebec	200,000
27.	Surveys	3,263,482
	Total	$ 59,079,433
	Total cost	$143,254,344
	Less amount outside of main line	59,079,433
	Cost of main line	$84,174,911

The hon. member for Durham has estimated the rolling stock at $2,000 a mile in his calculation of $120,000,000, reducing it for construction to $114,788,000. We have seen that Fleming's estimates were $76,612,200, and we find that the real amount expended for construction is $84,174,911, or not $9,000,000 more than the *quasi* colonisation road for which estimates were asked of Mr. Fleming, and $30,000,000, or, more exactly, $25,000,000, less than the amount calculated by the hon. leader of the Opposition, if we deduct from his calculations the amount applied to branches. The specifications of Mr. Fleming, with light grading, heavy curves, and high grades, have been set aside and the demands of the hon. member for Durham for a first-class road have been complied with. If we had not, in that respect, the testimony of the most competent railway men who have inspected the road, I would cite the opinion of the chief engineer of the Government in his report as far back as the 22nd September, 1883 :

"It affords me much pleasure to be able to state that the Pacific Railway Company are doing their work in a manner which leaves nothing to be desired. The road is being most substantially built. The larger streams are being spanned by strong iron bridges, resting upon abutments and piers of massive masonry, and the small streams on the eastern section will be passed through solid cut stone culverts. On the central section the streams are, for the most part, crossed by substantially built pile bridges.

"The work, so far as it has been done, up to the present time, has been performed most faithfully, and in a manner fully up to the requirements of the contract. I am enabled to speak with confidence upon this point, having made a personal inspection during the past two months of the

work from a point east of Port Arthur (formerly Prince Arthur's Landing) to Port Moody."

The statement I have just given shows that the company has actually spent for branches and for the lengthening of the main line $15,330,823. Instead of blaming the company for that expenditure and raising the cry of extravagance, I say that nothing is better calculated to inspire confidence in the future of the enterprise than the energy which the company has shown in completing its railway system in view of future competition. It is now admitted that intelligently chosen branches are the strongest elements of success for a railway. I read some days ago, in an official report to the United States Government, at a chapter concerning the Internal Commerce of the United States for 1884, p. 37, the following remarks:—

"The work of constructing transcontinental railways and their branches, and of equipping them and organising their agencies and methods for active participation in the world's commerce, has been an achievement unparalleled in the history of material enterprise. Soon after the completion of the main lines of the Union Pacific and Central Pacific Railroads, those lines began to secure a large and remunerative local traffic, consequent upon the development of the resources of the country through which they ran. This was not at first expected. The growth of local traffic at once suggested the construction of branch roads, and this line of policy has been adopted by all the companies owning and operating transcontinental lines or parts thereof, and mainly with the object of thus promoting the financial interests of the main lines. The construction of such lines has also proved an important instrumentality in the development of the resources of that vast territory situated between the Pacific coast and the Mississippi and Missouri Rivers, a region which, but a few years ago, was unhabited by civilised men. The State of Colorado, in all its material interests, is mainly a result of this development. The States of California, Oregon, Nebraska and Kansas, and Washington Territory and the Territories of Utah, Montana, Idaho, also owe their present wealth and prosperity mainly to the contribution of the several transcontinental railroads and their branches."

There are to-day seven different railways working their way from the Atlantic to the Pacific coast. Every one of them has a large proportion of branch lines. With the Union Pacific the number of miles in operation is larger for the branches than for the main line. The following mileage table of those roads speaks for itself:—

	Main Line.	Branches.	Total.
Oregon Railway and Transportation Company	518	139	657
Northern Pacific	2,054	495	2,549
Union Pacific	1,695	2,815	4,510
Central and Southern	1,964	1,047	3,011
Denver and Rio Grande	897	420	1,317
Atcheson, Topeka and Santa Fe	1,692	1,064	2,756
Burlington and Missouri River	682	795	1,477
	9,502	6,775	16,277

All those lines show a large earning capacity, and the local traffic resulting from the branch lines constitutes a very large element in their success. On a total of 1,442,800 tons carried by the Northern, only 67,276 tons were through traffic; the balance, 1,375,525 tons, was local trade. The Union Pacific had $10,427,540 of local traffic, against $8,512,507 of through traffic. The Central Pacific carried 844,793,100 lbs. of through freight and 3,888,308,510 lbs. of local freight. The Atcheson and Topeka had only 6 per cent. of through traffic, the Missouri Pacific only 3 per cent., and the Denver and Rio Grande shows $500,000 of through traffic, as against $7,361,545 of its total traffic. The Canadian Pacific Company has recognised these facts, and has shown itself worthy of the confidence we placed in it, by making the fullest and the most intelligent preparations, in view of the great battle it will have to fight to secure a fair share of the American traffic against its formidable rivals. A railway man of high experience, largely interested in the Northern Pacific Railway, was obliged to admit that the general organisation of the Canadian company, with regard to its protection of the great channel of traffic which it will represent in North America, was admirable. Another remarked that the victory in the struggle for inter-oceanic trade must belong to the company that will not have to share with others the most remunerative part of its traffic, the through traffic to the point of destination, the Atlantic Ocean. Last year the hon. leader of the Opposition took exception to estimates of the company as to the reduced cost of the road, pretending that the company proved thereby that every shilling necessary to build that main road was drawn by them from the public chest. I suppose my hon. friends will adopt the same line of argument this year but with no more success, I am sure, on account of the unfairness of the argument. If the hon. gentlemen on the other side of the House declare that they are satisfied to get a Pacific line merely connecting Callander and Port Moody, we must believe that the future of our commercial relations does not trouble their dreams much and I understand how it is that they have, at various times, endeavored to suppress the Lake Superior and the British Columbia sections, to endow the country with a mere local line, the only object of which would be to develop the local resources of the North-West. I understand now the significance of what was said to the people of British Columbia: "You may go." I see why the efforts made by the Province of Quebec to secure the terminus of the Pacific have been called ridiculous. But statesmen,

business men, and men of judgment, or, if your prefer the expression, "the enthusiasts" who have faith in the future of the country, and who believe that the Pacific is a great national enterprise, attach as much importance to the connections as to the road itself. Without branches, without a considerable amount of rolling stock, and station accommodation, without elevators and important property at the terminal points, without the credit necessary to create business and traffic, the main line of the Pacific would be quite as useless as a body deprived of its limbs. It is not mere fancy or a thoughtless act on the part of the company if they have invested alongside of the line proper, very near the value of a second road in the shape of lateral and supplementary enterprises. They have applied to their case the word of Archimedes: "Give me a point of resistance and I will raise the world." They had at their disposal a powerful lever, in the shape of the road extending from Callander to Port Moody; they wanted, besides, a fulcrum to utilise their powerful means of action; each dollar judiciously spent to add to the facilities necessary to the traffic of the road will return one hundred per cent. A simple car, costing $300, will bring to the road an additional traffic of $1,500 per annum. Good accommodation may have entailed an expenditure of a million, but it may be worth millions in lessening the cost of loading and unloading and in giving to the road the advantage over rival lines. Each branch line is an artery, which brings to the body life and circulation, because everything brought by it to the main line is an additional source of profit. Instead of depreciating the efforts made by the company, we ought to thank its members for their broad and far-sighted views. Had the directors been common speculators, they could have dealt with their enterprise as with a simple contract; they could have endeavored to pocket as much of those millions as the circumstances would have permitted them; they could have pretended to finish the road, appropriate to themselves our subsidies and loans and then leave the contract. I am gratified to be in a position to declare to the credit of Mr. Geo. Stephen and his colleagues, that the suspicion of such an attempt has never tainted their reputation. Mr. Stephen, during the construction of this railway, has proved himself to be more than a business man, more than an upright man, more than a man of ability; he has been an apostle of the progress of the country. He has turned the Pacific into a work of love, and, with a force and energy I admire, he has succeeded in infusing his convictions

and his enthusiasm through the whole country. We have seen him at work—this man who owns many millions, rich enough to dispense with labor and anxiety, and having no need to increase his income—we have seen him, I say, confine himself to unceasing labor, and risk his fortune in this gigantic undertaking. This I do not say as a matter of personal flattery to a man whom I know only in the official relations which I have had with him; but I think it is a duty I owe to pay this tribute to a gentleman who has not only undertaken this work, but has shown an enthusiasm in the work and faith in the progress and wealth and resources of the country that I wish had been shared by our friends on the other side of the House. I wish our hon. friends opposite, who are so often admiring and citing the great success of American enterprise, had shared a little of that enthusiasm which has been shown by the president of the company. I wish the hon. member who has been termed here—I believe erroneously, because, in his heart, he is not so—the champion of American supremacy on this continent, I wish he and other gentlemen on that side of the House had that good quality of American citizens—that is, never to cry down their own country, never to say that that enterprise, costly as it may be, is not worthy of the genius of the nation, and shall not be carried to success by them. But, Mr. Speaker, this is not all these gentlemen have done for this undertaking. I regard their work, their experience, their intelligence, from a higher standpoint, by far, than that of their subscriptions. If the country had the largest share of money, the company had the largest share of labor. Men of the highest ability have superintended the execution of the work, and I am at a loss to know which we must admire the most in the result we shall have before our eyes; the astonishing rapidity with which they have achieved a task declared impossible by the leaders of the Opposition, or the extreme economy with which they have been able to accompany such diligence. I am not afraid to proclaim it; the company has done more than the Government towards the construction of the Pacific, and it should reap the benefit. Our own title to credit, in the eyes of the country, will rest in the judicious choice we have made of the men we intrusted with that enormous undertaking. Sir, that magnificent railway establishment must bear its fruit. From ocean to ocean it has the shortest, the most compact, the best equipped line of the continent; it has not, and need not have for some years, any competition over two-thirds of the continent; its bonded debt is by far smaller than that of any of the similar roads which are flourishing.

With all these requirements combined it must succeed. In his speech of the 15th April, 1880, the hon. leader of the Opposition quoted the figures brought out by my hon. friend, the member for East York, as to the cost of operating the Canadian Pacific. The hon. gentleman accepted those figures as approximately correct. And what were they? The amount of the earnings of the road were fixed at $6,750,000 a year, to cover simply the working expenses of the line. Well, I am ready to accept those figures, Mr. Speaker, and I say that the most skeptical of the hon. gentlemen opposite will be convinced that the future has no disappointment in store for the warmest believers in the success of the Canadian Pacific. When the line and its accessories are completed the Canadian Pacific will have a mileage of over 4,000 miles, a large portion of it located in the best sections of old Canada, and possessed with the most convenient facilities for its ocean termini. Last year, with a mileage of about 3,000 miles of disconnected lines, its earnings reached $6,084,345. The first months of the present year have shown an increase of $782,741 over the same period last year. Surely this shows what the earning capacity of the line will be after its thorough completion, organisation and equipment. It would be unfair to say that the heavy extra expenditure has been useless or unwise. The obligation entered into by the company is not limited to the mere construction of a road from its two terminal points. It includes the keeping of the road in operation. And if the company takes so much precaution to secure a profitable working of the line the country need not complain. It owes, on the contrary, a tribute of gratitude to the company for having largely increased the cost of the contract as a guarantee that the road is to be operated in a permanent and profitable manner. It is gratifying to the country to see that the company is confident that its profits will be derived from the working of the road rather than from the mere construction of it. The purpose of the company is a bold one, but it is one commanding the praise of the whole community. I have demonstrated that, leaving aside the large difference in the land grant, if the present contract implies an increase in the cash subsidy of $4,000,000 for the construction of the Pacific, it has secured to the Government a value of $30,000,000, if you deduct from the $54,254,293 the amounts for interests and dividends, over and above what the late Government expected and had exacted from its contractors in their proposed bargain with them, and I am in a position to show that amount should be doubled. And without putting a figure to the actual value

of the lands, one cannot deny that the policy of the present Administration has secured the keeping of 25,000,000 acres of land in the public domain. I admit that, after this Session, the $54,600,000 in money already given to the company in cash and in work done will be increased by the loan of $35,000,000. But there is not a man who has carefully looked into the whole matter who would seriously pretend that the $35,000,000 are to be reckoned as lost money. I care very little for those irresponsible prophets who predict that the Government will never make the demand and exact the payment of that well secured loan. We know what little risk those evil fortellers run if their predictions turn false. However, that point needs no further reference, as nobody knows what the Government of to-morrow will be. But if the country does not run a worse risk than to be long governed by the Administration of the day, I can solemnly assert that every dollar of that $35,000,000 may be considered as a safe and productive investment, as a sacred deposit not to be surrendered. We have not exceeded the prudent limits of official liberality; we have discerned between a useful and an excessive generosity. To go beyond what we have done would have exposed the Government to the charge of extravagance. To have refused that assistance would have been courting a disaster for the country. And I feel I am not mistaken when I say that the strongest guarantee that these $35,000,000 shall be considered and administered as part of the patrimony of the people lies in the deep sense of the high responsibility which rests upon this Government, as it will upon any future Government. There exists to-day this undeniable fact, that 3,327 miles of first-class road and 21,246,600 acres of cultivable lands is a safe and undisputable guarantee for a first mortgage loan of $45,000,000. Everybody knows that the company has, during the last four years, realised $8,702,086 out of its lands, in spite of the difficulties that have been in the way. Last year the receipts of the unfinished sections of the road gave the following results:—

	Receipts.	Expenditures.	Surplus.	Deficit.
January.....	$274,645	$401,915	.....	$127,270
February	224,638	363,965	.....	139,326
March	279,575	359,275	.....	75,700
April.....	343,966	318,938	$25,027	
May	424,556	349,739	74,816	
June.....	550,661	399,030	151,631	
July	549,367	394,673	154,694	
August	565,814	383,983	181,830	
September.....	639,839	407,628	232,211	
October.....	735,731	438,082	297,448	
November.....	640,573	395,160	245,213	
December.....	521,552	350,236	171,315	
	$5,750,521	$4,558,630		

or a total of nearly $6,000,000 of receipts and a net revenue of $1,191,891. We can easily make our estimates for the future when we consider that the above result has been obtained when there were not more than 2,000 miles of railway in good working order, or a proportion of $3,000 a mile. Have we not before us the experience of the Northern Pacific. That road is less advantageously situated than our own Pacific, having no outlet of its own at Minneapolis or at Duluth, and still its traffic for the last ten months ending 30th May, 1885, hardly a year and a-half after its completion, was as follows:—

Gross earnings, for 10 months ending 30th May, 1885 (over $5,000 per mile)	$10,218,941
Operating expenses	5,518,235
Total net profits for 10 months	$ 4,700,706
The total mileage of the Northern Pacific, including branches and leased lines, is	2,549 miles.
Its bonded debt, at 31st December (selling over par)	$69,536,221
Its preferred stock	39,255,565
Its common stock	49,000,000
	$157,791,786

Annual Charges.

Interest on bonds	$4,050,648	
Rents, leased lines	776,000	
Other fixed charges	493,918	
		5,320,566

Now, with the new engagements contemplated by the legislation before the House, the fiscal charges on the whole of the Canadian Pacific Railway are as follows:—

Bonds, $20,000,000 at 4 per cent	$800,000
do 15,000,000 at 5 per cent	750,000
Interest on purchase of Q. M. O. & O	175,000
do do do Canada Central	58,400
do do do Land grant bonds	180,000
Rents on leased lines	778,000
On a total of	$2,741,400

The $10,000,000 additional guaranteed by the lands will draw interest out of the annual sales of the lands. The company will have next year the benefit of the earnings of nearly 4,000 miles of road in operation from ocean to ocean, without paying any tribute to other lines, as is the case with the Northern Pacific. Allowing only $3,000 per mile which is $2,000 a mile less than the Northern Pacific, we find, for the year, a total of $12,000,000 of gross earnings. Deducting 70 per cent. for working expenses (the Northern Pacific has reduced their tariff to nearly 50 per cent.) there remains a sum of $3,600,000 for the net earnings of the road. I do

not think any one will question the sufficiency of the guarantee of the lands for our $10,000,000. Otherwise, the boasted assistance given by the land grant would have been a delusion; the attempt to belittle the value of the lands would become a strong argument in favor of the increase of the cash subsidy (the necessity of the transcontinental line having been admitted by all sides in Parliament). If our lands are worth anything at all, they must be worth, at this moment, at least 50 cents an acre, and this is hardly the amount of our advance to the company as guaranteed by the lands. But I am sure I shall not be contradicted in saying that the lands are worth to-day $1.50 an acre, and will increase in value in the same ratio as the capital of their value would increase at the rate of 4 per cent. per annum, taking into account a very moderate current of immigration in the North-West during the next 25 years. The result obtained by the other railway companies would warrant a higher figure than the one I have given. I do not think we shall have to wait for a year to be reimbursed the $5,000,000 of the temporary loan; the $8,000,000 of bonds of the company will soon find their place in the market when the returns of the road begin to show their security as an investment. We remain with $20,000,000 of first mortgage of the company. The total bonded debt is $35,000,000, so that we rank equally for $20,000,000 with other bondholders to the amount of $15,000,000 as the first creditors of the company. That total bonded debt of the company is the first lien on the following roads:—

	Miles.
Callander to Coal Harbor	2,565
Winnipeg to Stonewall	18½
do to Manitou	102½
do to St. Vincent	64½
do to West Selkirk	22
do to Colville Landing	2
do to West Lynn	15
do to Maryland	51
Rosenfeld to Gretna	14
Total	2,854½

Making a fixed charge of about $12,237 a mile. But the debt is, in addition, secured by the lines from Callander to Ottawa, 225 miles, and from Carleton Place to Brockville, 46 miles, or a total of 271 miles. Considering that the amount due on these two last lines is only $1,600,000, or $5,900 a mile, the fixed charge on the whole line remains but little over $11,000. And when, added to that, we calculate the value of the rolling stock of the company, which will be not less than $10,000,000; when we consider their vast property

in Montreal, at Ottawa, at Winnipeg, and all along the line up to Coal Harbor, property which the natural development of the country increases in value every day; when we consider their immense and costly workshops, their steamers, we may safely scout the idea that the securities we have retained are not equal to the advances we have made.

The Canadian Pacific Railway, after its completion, will have earning capacities superior to any transcontinental route in America, and inferior to none of the great railway systems of North America. Some may have larger traffic and a greater volume of business. None will be in a better position, comparing its actual value with its liabilities and the possibilities of its traffic. The Canadian Pacific will represent the following values:—

Portions built by Government	$29,600,000
Cash subsidy	25,000,000
Loan of last year	30,000,000
Amount raised by present legislation	15,000,000
Paid for stock	29,568,123
Land grant bonds	8,702,086
Bonuses	236,600
City and town lots	504,675
Earnings	1,456,318
	$140,067,800
Less deposited and paid for dividends and interests, say	20,000,000
Total amount spent on the road	$120,400,000

In other words, our margin of guarantee is 350 per cent—and if we go to the extreme in any supposition of failure, so as to test in the most rigid manner the value of our securities; if we take the absurd hypothesis of the stoppage of the road by the withdrawal of all those interested in the enterprise, there would still remain the following assets respecting a commercial value, as follows:—

Rolling stock	$10,000,000
Rails, &c., &c	10,000,000
Workshops	1,500,000
Steamers	500,000
City properties	1,000,000
New station and terminal facilities, elevators and other improvement contemplated by the present measure	2,900,000
Telegraph lines	1,000,000
Amounts paid on lines from Callander eastward	15,000,000
21,000,000 acres of land	21,000,000
Total	$62,900,000

I have made that supposition of an impossible event to demonstrate the absurd pretensions of those who assert that we might be exposed to the loss of the capital of our

loan; and to show, at the same time, the perfect safety of our investment. I had, therefore, good grounds for saying, Mr. Speaker, that the loan of last year and the loan of the present year cannot be classed among the subsidies, that we do not lose a dollar of them and that they will not oblige us to disburse a single cent of interest. In return, we shall find that we have ensured the completion of the Canadian Pacific five years before the time specified, and that in so doing we have saved many millions to the railway. The dividends alone to be paid on the capital during the process of construction represent a considerable amount, as the money furnished by private parties must always bear interest, and as a road during that process cannot give any profits, it had been agreed that the company should pay a dividend of 5 per cent. out of their capital, during the time of construction. A reserve amounting to 3 per cent. has been made for that purpose; but the company would have had to pay 2 per cent. on $65,000,000, during a period of five years, or $6,500,000 which we save; and it may happen that the railway may be such a successful enterprise as to be in a position to pay dividends immediately. We have, in another manner, protected the company against fruitless expenditure. They had only two modes of raising funds by themselves, that is: selling shares or floating bonds. The state of the money market shows that the shares could have hardly realised more than 50 per cent. The company, then, could only have realised $17,500,000 by losing a like sum; so that it has not to be taken into account. As regards the bonds, it would have been impossible for the company to place them on the market last year (on account of the uncertainty which existed regarding the completion of the road, and also of that terrible "unknown," which always has so much influence on business men), at a rate exceeding 80 per cent., so that on a sum of $15,000,000, the company would have lost at once $9,000,000. They would have had to pay 5 per cent. on the whole amount, whilst they will have to pay only 4 per cent. on the $30,000,000 of last year, which saving of $300,000 during six years represents $1,800,000. There is, then, a net gain of $17,300,000 to the company without our being poorer by a dollar. Instead of passing into the hands of European capitalists, these $17,000,000 will have been employed for our own benefit, and spent towards the construction of the numerous branch lines and other important improvements which the company has been in a position to undertake, thanks to that wise policy. All we enable the Canadian Pacific Railway

to save is a saving for the country. Governments do not exist to speculate; their object is to manage the interests of the people so as to give the most fruitful results. Railways are more and more becoming national institutions; they take the place of former higyways, and even of navigation. Although a railway belongs to shareholders nominally, it is not the less a national property; it ranks amongst its best assets; and the national wealth increases in proportion to the wealth and power of the railways. And if the result of the intervention of the Government has been to leave in the treasury of the Pacific Railway over $17,000,000, the whole country can boast of this fact. The results will be visible everywhere: in the improvement of the roadway, the comfort afforded to passengers, the shipment of freight, the greater facilities of intercourse, and the reduced rates. The working of a railway, in fact, depends upon its financial standing. It is hardly possible for a railway crushed under heavy liabilities to show its full efficiency. This is why I am not afraid to declare that the Canadian Pacific will soon rank as the first of all transcontinental lines, because not a cent of its liabilities will have been misapplied. Take, for instance, the most prosperous route of our neighbors, the Union Pacific Railways. The length of this route, to-day, is 3,050 miles, and the liabilities are as follows:—

1st mortgage bonds	$138,131,332
United States Government bonds	75,263,232
Paid-up capital	120,144,000
	$333,538,564
Debt, per mile	$ 109,357
Debt, per mile, besides subscribed shares.	70,000
Debt, per mile, besides Government claim.	42,000

Supposing the portion of that debt due to the Government cancelled, and putting aside the interests of the shareholders, the Union and Central Pacific have still a debt of $40,000 per mile, while, under the same circumstances, the Canadian Pacific is responsible for nothing but $13,000 per mile. If we turn to the Northern Pacific, the total length of which is 2,549 miles, we find it encumbered with the following amounts:—

Bonds	$ 50,122,200
Shares subscribed	109,749,464
Total	$159,871,664
A debt per mile of	62,800
Bonds, per mile	19,700

The Southern Pacific, which, with its branches, is 4,051 miles in length, has the following debt :—

Bonds, per mile	$85,617,200
Shares, per mile	152,459,700
	$238,076,900
Total, per mile	58,785
Bonds only, per mile	21,140

If we take the total liabilities of the Canadian Pacific on 3,327 miles, we find them to be as follows :—

Bonds	$35,000,000
Bonds Q. M. O. and O. and Canada Central...	5,500,000
Shares (less deposit of $15,000,000)	50,000,000
Total	$90,500,000
Total debt per mile	27,200
Total for bonds	12,000

So that we have the following result :—

	Total charges.	Bonds.
Canadian Pacific, per mile	$ 27,200	12,000
Northern " "	62,800	19,700
Union " "	109,357	70,000
Southern " "	58,785	21,140

Should the state of things remain as it is, we could say that the Canadian Pacific will have a debt of $12,000 only per mile, on a line stretching from the Atlantic to the Pacific, while the American routes all terminate midway, and depend for an outlet on other roads, absorbing a part of their profit. But there is another contingency in favor of the Canadian Pacific: if the 21,246,600 acres of land are disposed of at, say, $1.50 an acre, to have no dispute over figures, the company, after deducting 6,666,666 acres for the $10,000,000 due to the Government, might receive $21,869,851 for the remaining 14,579,934 acres, or more than one-half of their bonds, which would reduce the real debt of the railway to less than $6,000 per mile. And why should not the Pacific company sell their land within the next ten years ? They occupy the best situation, lying, as they do, alongside of the railway; they are very fertile; they suffer less from cold weather and snow than those of the Northern Pacific. Let us not forget that the snow fall is only 6 inches deep at the foot of the Rocky Mountains, and that all along the prairie section generally it is only from 20 to 24 inches, when it is 50 inches in Toronto and 74 at Montreal. The agriculturists and cattle men have the market of the United Kingdom, which the Americans are partly deprived of, and this advantage is so striking that the inhabitants of Montana are sending their wheat through Canada to secure a better price, while ranchmen have

already taken serious steps with a view to sending their cattle through the North-West. As the distance between Coal Harbor and Montreal is but 2,911 miles, while between Tacoma and New York it is 3,457, it is evident that wherever an immigrant settles he will, on the Canadian route, always be nearer the Pacific or Atlantic shores in proportion to this saving of 546 miles on the distance. Take, as an example, two places on the same meridian, say Swift Current, on the Canadian Pacific, and Billings, on the Northern Pacific, towards the 109th degree. The distance from Billings to New York is 2,359 miles, while from Swift Current to Montreal it is but 1,940 miles, a difference of 418 miles in favor of the Canadian Pacific. On the Northern Pacific, the station corresponding to Winnipeg is Moorhead, and Moorhead is 1,660 miles from New York, while Winnipeg is only 1,430 miles from Montreal. And when the Northern Pacific can attend to its immigrants after submitting to the demands of several other companies between St. Paul and New York, having to make a choice between the Pennsylvania, Erie, New York Central and Baltimore and Ohio, from New York to Chicago, and between the Chicago, Milwaukee and St. Paul, Chicago and North-Western and Chicago, Rock Island and Pacific, from Chicago to St. Paul, the Canadian line has the sole control of its rates and accommodation, and gets the whole benefit of the receipts from the immigration traffic which it will have stimulated. Let us add that the fertile belt is longer alongside of the Canadian than on the American line. We have 839 miles between Winnipeg and Calgary, at the foot of the Rocky Mountains, when, on the Northern Pacific, we have the Rocky Mountains at Livingstone, 757 miles from Moorhead, and notwithstanding this excess of fertile lands, Calgary is only 2,269 miles from Montreal, while Livingstone is 2,419 miles from New York; and moreover Calgary is only 644 miles from Coal Harbor, on the Pacific, while Livingstone is 1,036 miles from Seattle, on the Pacific Ocean. But as we are speaking of these lands, and as the question is inseparable from the financial aspect of the case, since we accept them as security, I may remark, by the way, that the Opposition cannot accuse me of exaggeration if I definitely fix the value of these lands at $1.50 an acre, as on several occasions, they have expressed their opinion on this point, in the desire to compel the House to declare the Pacific Railway lands were worth over $2 an acre. The leader of the Opposition himself has taken much trouble to prove that they ought to be valued at more than $2 an acre. Here is what he said, on the 15th of December, 1880:

"Then, what about these lands? These lands are to be within twenty-four miles of the railway. According to the estimate of the Government made by them in the recess before the last Session of Parliament, and which they published to the world as the terms of sale of railway lands; confirmed by them during the last Session of Parliament, when they brought it down and declared it to be a moderate estimate; confirmed and re-confirmed by them when they asked Parliament to sanction their going on on those regulations and principles, and still further confirmed, in this sense, at any rate, when they announced, as they have repeatedly announced, that the prospects of selling lands in the North-West are infinitely brighter to-day, and that land is worth more to-day than it was a year ago. According to this view, which we may take as a minimum estimate established for lands there to be found within twenty-four miles of the railway, it gives an average price of $4.04 an acre.

* * * * * * * * * * * *

"I think, Sir, it may not be useless for me to prove, by a public document, something of the value of such a privilege. I have before me the prospectus of the Manitoba and South-Western Colonisation Railway Company, which is placing on the London market its bonds, and the statement it makes is:

'And the statement is there made that the length of this railway is 295 miles, of which the first section of 119 miles is under contract, and at least 50 miles are to be opened by the 1st of September, 1881. It is further stated that the Governor General has approved of a report of the Privy Council of Canada, recommending a grant to the company at the nominal rate—mark you, the nominal rate—of $1 an acre, of an area of land equal to 640 acres per mile, commencing at the south-west of the boundary of the Province, so that is outside of the Province of Manitoba that this land lies. The prospectus further states that it is estimated that a judicious realisation of the land would produce to the company the sum of £2,000,000 sterling, or $10,000,000, and that the company has refused offers made to them for large portions of that land at $5 per acre. In another part it is stated that this line is to be constructed for £3,000 sterling or $15,000 a mile, and the calculation is that the fortunate stockholders—and if there are members of Parliament among them, I hope they will share among us all—will have an admirable commercial railway constructed free of cost, and probably four or five millions besides from the sale of their lands.'

"Well, Sir, you thus find that there are lands of very great value to be had, outside of Manitoba, beyond the range of twenty-four miles of the Canadian Pacific Railway, which can be opened up and made saleable at $4 or more per acre, by railways which shall be, as this railway is declared to be, good paying commercial enterprises."

The Opposition unreservedly accepted these views and calculations, and took advantage of them to stamp as extravagant the conditions of the contract of 1881 with the Syndicate of the Pacific. And the hon. member for South Huron, therefore, on the 26th of January, 1881, proposed:

"That the contract respecting the Canadian Pacific Railway involves a total expenditure by the country in connection with that work of about $60,000,000, exclusive of interest, and the cession of 25,000,000 of acres of choice lands, worth, at the estimate of the Government last year, at least $79,500,000, making a total consideration of about $140,000,000, while the railroad itself is estimated by the Government to cost not more than $84,000,000, and that the consideration proposed to be given is excessive, and that the contract is in the highest respect objectionable."

I need not say that all the hon. members forming Her

Majesty's loyal Opposition voted in favor of this amendment. It will be claimed to-day that, by this speech as well as by this vote, the Opposition meant nothing but to offset the Government valuation; but such an attempt would be childish, since the Opposition do not quote it, but adopt it; and their hon. chief declares it, when he says:

"According to this estimate which we will take as the minimum value of these lands, we can find their average value at $4.04 an acre * * * There are lands, then, of very great value outside of Manitoba. And the amendment itself implies the assent of the Opposition to this valuation, when it says 'exclusive of the cession of 25,000,000 acres of choice lands, worth, at least, $79,000,000'"

The added words: at the estimate of the Government, are there only as an argument to strengthen the affirmation that the lands have a great value. Otherwise, why should the Opposition have declared that sum excessive, if they had not believed it was real? Why should their hon. chief have declared that he was taking a minimum valuation if he had not believed this minimum well founded. It will be claimed that we have no use for these 21,000,000 acres of land, because we possess a territory of 300,000 square miles, or 200,000,000 acres. But when we have deducted from this the lakes, rivers and impracticable marshes, we are left with only 160,000,000 acres already, half of which is unfit for anything but cattle ranches. Not more than 80,000,000 will ever be under cultivation, and can yield a profitable return, and these figures soon lose their fantastic and embarrassing appearence when we consider that 13,500 immigrants, taking yearly 320 acres each, would swallow up the whole of these lands in twenty years. The distance between Winnipeg and the foot of the Rocky Mountains is 900 miles. These 900 miles give, consequently, 45 sections of blocks of 20 miles on each side of the railway, or 90 sections in all. In other words, there are but 23,000,000 acres of land lying alongside of the railway in the prairie district; this gives at once quite a different aspect to the land question, and these lands acquire at once a value far superior to that of those lying elsewhere. The Pacific Company cannot receive more than 45 sections, although they have a right to 98 blocks of 256,000 acres. They will have, therefore, to take 13,568,000 acres, either outside of the prairie section or in a belt removed from the railway; and if they choose to raise the price of the land alongside of their road, in order to get rid of those less favorably situated, they can do so now. It was exactly one of the inconveniences felt at the time. But as the question was to give, not an apparent, but an efficient assistance to the company constructing the railway, the lands had to be given without restriction, or

else money had to be substituted. To impose obligations in the disposal of the lands was to make it an impossibility, because no moneyed man would have advanced funds on a property held conditionally. The whole or nothing was wanted. I cannot do better that quote the 8th and 9th resolutions which the Government caused to be adopted on the 12th May, 1879, to show how well they understood the inconvenience of such a system. Here they are:

"8. *Resolved*, That the withdrawal for sale and settlement of the lands for twenty miles on each side of the located line of the Pacific Railway has, in part, had the effect of throwing settlement south and west of Lake Manitoba.

"9. *Resolved*, That in the existing state of things, it is desirable to combine the promotion of colonisation with railway construction on the Canadian Pacific Railway west of Red River."

It being six o'clock, the Speaker left the Chair.

After Recess.

Mr CHAPLEAU. When the House rose I was about to say that if necessity forced the Government, in 1881, to abandon this line of conduct, it is because it was not deemed prudent to engage deeper in money disbursements without knowing exactly what were the resources of the company, the means and disposition of the directors, and their ability to construct the railway; but the Government always watched for an opportunity to resume a policy more favorable to colonisation, and that is what we are doing in taking back the control of the sale of lands, and in forcing their sale under certain conditions. The Opposition must be unanimous in the approval of a plan which they unanimously proclaimed on the 27th of January, 1881, when Mr. Rinfret moved, in amendment:

"That the said resolutions be not now read a second time, but that it be resolved that the contract respecting the Canadian Pacific Railway contains provision for ceding to the company 25,000,000 of acres of choice lands in the North-West, but it does not, as it should, embrace any provision that such lands shall be open to sale to actual settlers at any maximum price; that the absence of such provision will enable the company to lock up the lands at their pleasure for a long time, and so be injurious to the progress of the country, and add to the labors and difficulties of the early settlers, and that the said contract is, in this respect, objectionable."

This resolution was singularly ill-timed; for, as I have said, to have accepted this amendment of the Opposition at that time would have been to make such grant of lands illusory, because we would have made it impossible for the company to negotiate a single land grant bond. But now that the condition of the company is completely changed, and that experience has convinced business men that the financial

assistance derived from these lands cannot be immediate, we have applied the principle enunciated by the Conservatives in 1879, and re-affirmed by the Liberals in 1881 : that it is possible and necessary to reconcile the encouragement given to the Canadian Pacific Railway with the development of colonisation. We do not desire the company to make a fortune with these lands, by laying them aside, to sell them in ten or twenty years ; we intend that they aid immediately in the construction of the railway. It is not in our power to force capitalists to advance their money on that security, —the only alternative for us, who know the value of the property offered, would be to take their place. In doing this we would not lose a cent; we risk nothing, and we would contribute to the development of the North-West. It is possible that my expectations will not be shared by several members of the other side of this House, and, amongst others, by the hon. leader of the Opposition, who has already put on record in the *Hansard* his views upon the development of the North-West, and as these views have not been uniform, and that he may select those opinions which will best suit him, to oppose this plan, I will anticipate his wishes, by recalling them for the benefit of this House. On opening the *Hansard*, at page 1055, of the year 1880, I find, on 5th April, the following :—

"Sir JOHN A. MACDONALD. It is believed from the best information we can get that 20,000 people went into the North-West last year.

"Hon. Mr. BLAKE. There was not more than one-tenth of that number.

"Sir JOHN A. MACDONALD. If we are to judge from reports, we may rely upon it that 50,000 will go this year, but let us put the number at 25,000 (this year). I would ask the hon. member for Lambton if he does not really believe that num——

"Hon. Mr. MACKENZIE. I will tell him that I do not believe so, nor do I believe that 20,000 went in last year. I think a large number will go, but not the number stated.

"Sir JOHN A. MACDONALD. Then, the hon. gentleman is the first person that I have heard say that 25,000 was not altogether too small an estimate. That number, of course, includes the baby as well as the adult. In ordinary cases the estimate is the average family number, five. If you take four to a family, we estimate that of the 25,000 or 24,000 that go there, 5,000 will be heads of families, occupying homestead and pre-emption claims."

Subsequent events have proved that the leader of the Government was correct, and as I have already shown on another point, that the prophecies of the Opposition with reference to the Canadian Pacific Railway were particularly unfortunate. I often wonder if there is ever a time when the Liberal party is sincere in regard to this question. Is it when it opposes, not the Government, but the Canadian Pacific policy itself? or when it pretends to defend the

principle of the construction of the Pacific? For, in the same Session of 1880, only a month later, when the Government proposed to put aside $100,000,000 acres of land, and to build the Canadian Pacific Railway with the proceeds of the sales, we find this motion in the journal of the House for the sitting of 5th May:

"The hon. Mr. Blake proposed that the sales of railway lands shall be on condition of actual settlement"

According to the arrangement accepted by the Mackenzie Government, of which the present hon. leader of the Opposition was a member, Canada was committed to the construction of the Canadian Pacific, at any rate, from Port Arthur to Port Moody, by 1890. In the year 1880, therefore, there remained ten years for the completion of the work, and at the time that the House was deciding to complete the work only with the proceeds of the lands, the price of which was fixed at $1 per acre, the hon. member for Durham desired that the Government should stipulate that sales of these lands should be made only in favor of immigrants who would settle upon them at once. As it would have been necessary to sell nearly 80,000,000 acres of land at $1, to realise the desired amount, it was consequently requisite that the North-West should receive not less than 50,000 families per annum, at the rate of 160 acres per head of families. I will not do the hon. leader of the Opposition the injustice of believing that he wished to break a solemn covenant entered into by the Dominion of Canada, or even to evade the law, which provided that the work should be carried on as vigorously as possible, in order to keep faith with British Columbia. He was, therefore, from his point of view, favorable to the construction of the Canadian Pacific, and if he wished that actual settlement alone should supply the source of revenue which the country would have at its disposal for the completion of that enterprise, it was because he was convinced that his plan was feasible, and that there would be an annual influx into the North-West of 50,000 families, paying cash for their pre-emption lots. Upon that particular occasion, I presume, he adopted the opinion expressed by him on the 5th March, 1875, which is entirely at variance with that I mentioned a moment since. In 1875 I should have been of his opinion, when he said:

"You cannot hope to force immigration into a country beyond a certain point. You should look at the experience of the Western States, at a recent date, where the railways had spread most rapidly, and with respect to the State nearest our North-West Territories, you will observe that, even with their wonderful progress, they have not made any such extraordinary progress as that which the hon. member for Northumberland

has vaguely pictured as that which should take place in the North-West. I hope, Sir, that we shall see a degree of progress and settlement greater, in this country, than that which has been shown in the States at any recent period. I aim at surpassing the rapidity with which their Territories were established."

Mr Speaker, I will not go so far as the hon. member, when he takes the view that 50,000 families would be required yearly; I would content myself with a small proportion of those expectations. If it were found that in order to dispose of 21,000,000 acres of land in ten years only 13,000 families would be needed, no one could find fault with our calculations. And if one-half of these families should take two lots each, 8,625 families per annum would be sufficient —say, about 35,000 souls to complete the sale of these lands, and to that we may assuredly look forward—in view of the figures I have given for past years. I have alluded to the sale of these lands at $1 an acre; my own personal opinion would unhesitatingly be in favor of a regular sale at $1.50 per acre. It is natural that these lands should be more sought for than others, on account of there being situated, for the most part, along the line of the railway. If the Canadian Pacific were obliged to sell these lands at a higher price, to cover any considerable deficit, as the American lines have to do, it would be necessary to submit to such a state of things, but settlement would be thereby retarded. Such a monopoly is not to be feared to-day. The Government takes back the control it gave up. If we sell these lands at $1.50 per acre, without doing an injustice to the Pacific, let us do so. What is wanted is population. The day when there are 200,000 more whites in the North-West there will be no need to spend millions in protecting ourselves against the Indians. Immigration will be the safeguard of the Territory. When the construction of the Northern Pacific was undertaken the engineers were accompanied by regiments of the United States army. From the 20th of July to the 22nd of November, 1872, for instance, Mr. Hayden, one of the engineers, had to be protected by 400 soldiers, who were in constant conflict with the Indians in the Yellowstone valley. In 1873 it became necessary to increase that force to 1,700 men. In 1876 the Custer massacre occurred, on the meridian of Battleford, between Rosebud and Bighorn, on the Northern Pacific. The warfare continued in 1877, and, I may even say, up to the moment when the railway introduced an active civilisation. Who, now, minds the Indians in Montana? There is another reason why I wish for a rapid filling up of our North-West, viz., that it will give a market of consumers for our manufactures. When

we consider what is taking place among our neighbors, we have a right to count upon the prompt development of our North-West and upon the sale of our lands. In the course of the past year the Union Pacific has placed 4,342,200 acres, at a price of $6,000,000. There was sold, last year, in the Territories of the United States, a total of 18,300,000 acres of land. We have as much of lands as they; indeed, we have more, and ours are more fertile, nearer the seaboard and less costly. The average price of the American lands is $3.40 per acre. The railway companies are so much involved that they cannot part with them for less than $3. Our highest aim is to sell our land at $2; and, if advisable, to dispose of them at $1.50, the Canadian Pacific will not stand in our way. The Pacific possesses this advantage, this immense advantage, namely, that having but small interest to pay, the sale of each acre will give them more benefit. In the United States many companies have failed because the interest has swallowed up their capital, and because the sale of lands barely sufficed—or did not suffice—for the payment of coupons. We might have been less liberal, and possibly, at the same time, have effected a commencement of the iron band to connect the Atlantic with the Pacific, but I question whether we should not thereby have taken precisely the means of destroying the value of our subsidy, by forcing the company to expend, in interest, the money which we gave them to build the road.

In going over this array of figures my object is not limited to a mere calculation. There lies at the bottom of these facts a vast question of political economy. My pretension is less to solve than to submit to a class of thinking men in this country and outside of this country a problem which will soon impose itself to the general economy of modern nations, that is, cheap and, at the same time, rapid transportation. It is a common saying that water transportation is cheaper than steam transportation, and it is true. The maker of the universe, in his foreknowledge of the expansive power of civilisation, has made us the gratuitous gift of the great water highways in the interior as well as around the continent, whilst the genius of man has had to build his overland routes by dint of work and money. Independently of the cost of the road itself, if you compare the cost price of a locomotive and of the thirty cars composing a train to the cost price of a steamer, the railway will have the advantage. A first-class steamer, with a tonnage of 3,000 tons, representing, as a motive power, nine trains of thirty cars, of the capacity of eleven tons each,

will cost from $300,000 to $500,000, nearer the latter figure than the first. Nine locomotives will cost $72,000, and 270 freight cars about $125,000; let us say $200,000 for both engines and cars. The advantage, as I have said, remains with the railway, each ton of merchandise representing in the steamer a capital of $166\frac{2}{3}$, and only $66\frac{2}{3}$ in the railway. On the other hand, the steamer will cost only $1,000 in operating expenses for each day of 300 miles voyage, whereas each train of the railway will cost an average of $300 for each 300 miles run, or $2,700 for the nine trains; so that each mile of railway transportation costs as much as three miles of water transportation. It is evident, therefore, that the greatest economy must be exercised in the operation of a railway, and that it is of the highest importance to bring to the lowest possible figure the first charge on the railway, that is, the first bonded debt on the road itself and its equipment. The less the railway is loaded with a bonded debt the better its position to compete with its neighbors. For instance, let us suppose a uniform volume of traffic on the following transcontinental roads; that traffic, exclusive of the working expenses, would have first to pay, on account of interest on the cost of those roads:

On the Union Pacific	$5,467	per mile.
" Northern Pacific	3,200	"
" Southern Pacific	2,939	"
" Canadian Pacific	1,400	"

In other words, each of these roads would have to charge, per mile, on its freight on 1,000 miles of road:

The Union Pacific	$5.47	per ton.
The Northern Pacific	3 24	"
The Southern Pacific	2.94	"
The Canadian Pacific	1.40	"

A tariff of $5.47 per ton on the Union Pacific would be equivalent to $1.40 for the same quantity of freight on the Canadian Pacific. And take 1 cent as a basis of calculation, the charges in respect to payment of original cost price would be:

	Cts.
Union Pacific	1·00
Northern	0·57$\frac{2}{5}$
Southern	0·53$\frac{3}{4}$
Canadian Pacific	0·26$\frac{1}{2}$

If our great national enterprise has not been the outspring of a caprice, if it has been built to develop the great resources of our country, and to create new industries and a great continental traffic, we know what our duty is towards that enterprise. I cannot say it too loudly or repeat it too

often: Let us bring to its minimum the charge on construction, for fear of hampering the first efforts of the company with the cares and difficulties of pressing financial wants. I am sure this is the only means of obtaining the full measure of the earning capacity of the company, the only means to give it a chance of creating new fields of action for its activity and energy. I am aware that up to the present time none of the American transcontinental lines have succeeded in controlling a single ton of the commerce between Europe and Asia, with the exception of a special order of silk worm's eggs for France, and a small lot of furs for Great Britain. I know that even the wheat of California has not been exported overland to Europe, and that the 16,000 miles from San Francisco to Liverpool, around Cape Horn, have not frightened the exporters and driven them across the continent to New York and Liverpool. I have read the humble declarations of the proud Yankee, confessing his inability to solve the problem, having before his eyes the fiascos which have met his attempts in that direction. I have seen the declarations of Mr. Whittley, the general freight agent of the Central Pacific, ridiculing our right hon. Premier in his attempts and his hopes of bringing the Anglo-Asiatic trade through the British North American continent, and calling those anticipations mere absurdities, and doing so with the approval of the United States Government, who are opening their official reports to those productions of Mr. Whittley's wisdom. Well, Sir, in spite of the declarations of the railway scientists of the great Republic, in spite of the admiration that I have in the superior ability which our neighbors have shown in all their attempts in the direction of commercial success, nothing that has happened has yet shaken my firm belief in the future conditions of Asiatic commerce in relation to our country, to our great transcontinental route. In all those questions the question of cost is everything; and I confess I cannot see how the American routes could compete for that commerce, time and distance being the elements of cost. If we compare the respective distances, we find:

		Miles.
By Suez Canal, Yokohama to Liverpool		11,275
By way of New York	Yokohama to San Francisco	4,650
	San Francisco to New York	3,320
	New York to Liverpool	3,040
A total of		11,010

Making a difference in favor of New York, over the Suez route, of only 265 miles, or a little more than 2 per cent. of the whole distance. The distance of 4,650 miles is the average between 4,500 to come to and 4,800 miles to go

from San Francisco, as the course is necessarily different. The difference in favor of the Canadian route is shown by the following comparison :—

		Miles.
By way of Suez Canal		11,275
By way of Montreal.	Yokohama to Coal Harbor	4,180
	Coal Harbor to Montreal	2,911
	Montreal to Liverpool	2,790
A total of		9,881
Making a difference in favor of Montreal of... (or more than 12 per cent. of the whole distance.)		1,394

Let us take an average of 240 miles a day for a steamer making that trip. I know the great steamers average more than that; the Allan and Dominion lines have an average of 12 nautical miles an hour; the grey hounds of the sea (as they are sometimes called) have a speed of 15 to 18 knots. But the Oriental trade is carried by steamers of less value. The fact that the Suez Canal is not safe for steamers drawing more than 20 feet or exceeding 350 feet in length has prevented the use of very large steamers on that route. A steamer takes 45 days to go from Marseilles to Yokohama. It gives about 9 knots an hour for the 9,200 miles, taking three days for the passage through Suez Canal. For the whole voyage from Yokohama to Liverpool it takes 50 days, at about 10 miles an hour. From Yokohama to Liverpool *viâ* the Canadian Pacific we have, taking the same average of steamers as those of the Suez Canal route :

Yokohama to Coal Harbor, 4,180 miles, at 10 knots an hour	17½	days
Coal Harbor to Montreal, 2,911 miles, at 30 miles an hour	4	"
Montreal to Liverpool	11½	"
	33	"
For freight trains (20 miles an hour) extra time	2	"
For transhipment of freight	4	"
	39	"

What do we find for the route *viâ* New York :

Yokohama to San Francisco, 4,650 miles	19½	days
San Francisco to New York, 3,320 "	5	"
New York to Liverpool, 3,040 "	12½	"
	36	"
For freight trains (20 miles an hour) extra time	2	"
Difference of grades, extra time	2	"
For transhipment of freight	4	"
	44	"

These figures will show clearly that whatever doubts might be raised about freight there can be none with regard to

passengers, who will not only gain 17 days, but who will travel through a healthy and temperate zone. The difference of passenger rates by steamers or by rail is not marked. The average rate is about 3½ cents per mile for long distances. From Quebec to Liverpool, 2,630 miles, it varies from $80 to $100, or about 3 to 4 cents a mile; from New York to Liverpool, 3,040 miles, it is between $90 to $120, being also 3 or 4 cents a mile. From San Francisco to Yokohama, 4,470 miles, the fares are $250, or about 5½ cents a mile. From Liverpool to Yokohama, by Suez, 11,275 miles, the price is £88—or $428—or 3⅘ cents per mile. From Marseilles to Yokohama, 9,200 miles, the Messageries Maritimes are asking $415, or 4½ cents per mile. From San Francisco to New York the passenger rates are 3⅘ cents per mile—$126 for the trip, exclusive of the cost of meals and sleeping car, which adds about ⅔ of a cent per mile. But very seldom does the charge of railway companies exceed 2½ cents per mile. Freight rates are altogether different; $7 per ton of merchandise from Montreal to Liverpool is equal to ¼ of 1 cent per mile. From Marseilles to Yokohama the rates are $40 per ton or $\frac{7}{18}$ of 1 cent per mile. From Liverpool to Yokohama the ocean steamship company charges an average of ⅛ of a cent per mile. Up to the last few years, freight rates for railways were 2 cents per ton per mile. Since then the rates have gone down considerably; the Union Pacific charges hardly 1 cent per ton. Between New York and Chicago the rates will soon reach ½ cent per ton per mile, grain being now carried between those two cities for $48 per car load of 24,000 pounds, and I think I am safe in saying that those reduced rates are not likely to be increased in the future, every year adding to the experience already acquired in the methods of operating railways at a cheap rate. The following tabular statement gives us the average rates of all the freight of the last fifteen years on the railways mentioned, showing the gradual reduction on each road :—

	1868	1873	1883
	Cts.	Cts.	Cts.
New York Central	2·74	1·57	0·91
Pennsylvania	1·90	1·41	0·81
New York, Lake Erie & Western	1·81	1·45	0·78
Boston and Albany	2·81	1·95	1·19
Lake Shore & Michigan Southern	2·33	1·33	0·72
Michigan Central	2·45	1·89	0·83
Chicago, Burlington and Quincy	3·24	1·92	1·42
Chicago, Milwaukee and St. Paul	.....	2·50	1·39
Illinois Central	.....	2·20	1·43
Pittsburg, Fort Wayne & Chicago	.....	0·79	0·79
Or an average, in 1883, of			1·055

These statements run up to 1st January, 1884. Since then the tariff rates have been continuously decreasing, as is shown by the following return for the year ending 31st December, 1884:—

Name of Company.	Length of Line.	Operations.		Cost per ton per mile.
			$	Cts.
Cleveland, Columbus, Cincinnati & Indianapolis R'y	391 miles.	Rec.	3,600,346	
		Exp.	2,756,749	
		Profit.	843,597	0·633
Pennsylvania and New York Canal and Railway		Rec.	2,151,338	
		Exp.	1,541,794	
		Profit.	609,544	0·86
Northern Central Railway	323 miles.	Rec.	5 528,876	
		Exp.	3,468,394	
		Profit.	2,053,483	0·825
Chicago, St. Louis and Pittsburg Railway	636 miles.	Rec.	4,398,840	
		Exp.	3,602,213	
		Profit.	791,627	0·6
New York, Lake Erie and Western Railway	1,900 miles	Rec.	21,637,435	
		Exp.	16,358,077	
		Profit.	5,279,358	0·685
Lake Shore and Michigan				0·652
Michigan Central				0·646
New York, Chicago and St. Louis (Nickel Plate)	523 miles.	Rec.	3,207,591	
		Exp.	2,389,234	
		Profit.	818,357	0·476
Pennsylvania Railway:				
Main line	1,470 miles			0·740
Philadelphia and Erie	287 "	Rec.	48,563,917	0·576
Lines east of Pittsburg and Erie	2,201 "	Exp.	30,527,016	0·804
New Jersey and branches	443 "	Profit.	18,039,901	1·365

These tariff rates have yielded profits, as shown by the net earnings above mentioned. The fact that the New York, Chicago and St. Louis Railway has, during the past few weeks, passed into the hands of a receiver, is not an argument against the lowering of the rates, but it merely demonstrates the necessity of not increasing the cost of construction of a road. That road is responsible for $70,000,000, or $132,000 per mile. The Pennsylvania Railway Company shows, by the following return, taken from their report, that their rates are remunerative:—

	Receipts.	Expenses.	Net earnings.
Main line.	0·740	0·441	0·299
Philadelphia and Erie	0·676	0·365	0·211
Line east of Pittsburg	0·804	0·518	0·286
New Jersey.....	1·365	1·081	0·284

I desire to dwell on a point which may appear of a purely technical nature, because the transport by rail, at a low cost, is the great problem of our time. Political economy must necessarily deal with this question as well as practical economy. It is impossible for railways to maintain themselves unless their working expenditure is very low. A good authority on those matters, Mr. Chanute, consulting engineer of the New York, Lake Erie and Western Railway Company, has given particular attention to that point; and after laborious research and study as to the composition of the various trains on the New York Central, he has come to the conclusion that the actual cost to a company for freight traffic on its line is as follows:—

Nature of Freight.	No. of tons per car.	Distance run in miles.	No. of cars in a train.	Running expenses per car.	Cost per ton per mile.
				$	Cts.
Cattle.....	10	440	30	16 13	0·344
Grain	12	298	35	8 77	0·245
Flour.....	11	448	35	13 18	0·268
Canned goods.....	10	298	35	8 77	0·294
Pork.....	10	440	35	12 95	0·292
Wool.....	5	440	35	12 95	0·588
Tobacco	11	440	35	12 95	0·027
Oil	10	440	35	12 95	0·292
Leather.....	8	142	35	4 18	0 003
Paper	10	114	26	4 15	0·004
Hay	10	73	26	2 66	0·364
Butter	10	42	26	1 53	0·364
Cheese.....	10	26	26	0 95	0·369
Iron.....	12	440	35	12 95	0 245
Hosiery.....	5	440	35	16 15	0·734
Boots.....	8½	440	35	18 13	0·464
Dry goods, carpets...	9	440	35	17 99	0·432
Sugar and liquors.....	10	440	35	16 95	0·383
Coffee.....	10	440	35	19 05	0·433
Crockery.....	10	440	35	19 35	0·439
Toys	6	440	35	16 85	0·636

We must add to this, cost of loading and unloading, about 50 cents per ton, altogether, which, for a distance of 3,000 miles, gives a merely nominal amount. But, in making those calculations, we must not forget that the proportion of cost bears upon the whole traffic of the railways mentioned, the local traffic as well as the through traffic. All economists, as well as practical railway men, agree in saying that the local rates must be calculated on a different scale from the through rates. In fact, the localities through which a railway line runs derive a direct benefit from the

line, and must contribute towards its success in a manner proportionate to the value accruing to them from it. The through traffic must not be charged with the expenditure for the administration and maintenance of the road; so that the running cost of that traffic must not exceed a third of the running cost of the local traffic. Consequently, instead of saying that a freight train costs $1 per mile, it ought not to cost, as regards through traffic, more than 50 or 60 cents at most; this being considered the exact proportion, the Canadian Pacific will then be enabled to carry, with profit, the freight of the east at a price of $\frac{1}{2}$ or $\frac{3}{4}$ of a cent per ton per mile. When I say that $\frac{1}{2}$ of a cent per ton per mile is the possible rate which could be fixed in the future, I know that I shall meet with some approval in this House. The hon. member for Durham said, on the 15th December, 1880, that it was possible for a railway to realise profits with a rate of $\frac{1}{2}$ of a cent per ton per mile. Speaking of the St. Paul and Manitoba, the hon. gentleman said :

"A reasonable tariff should be $1\frac{1}{3}$ cent per bushel per 100 miles, or $17\frac{1}{3}$ cents for the 1,300 miles. In fact, I believe that the traffic from St. Paul southward is much lower than $1\frac{1}{3}$ cent per bushel, and, as a consequence, a much larger proportion than what that tariff would amount to is collected by the St. Paul and Manitoba Railway."

Being 60 pounds per bushel, and $37\frac{1}{3}$ bushels per gross ton, $1\frac{1}{3}$ cent per bushel would give $49\frac{7}{9}$ cents per ton, making, for 100 miles, within an insignificant fraction, exactly $\frac{1}{2}$ of a cent per ton per mile. My opinion, as I have said before, is, that through traffic can be profitably carried for $\frac{1}{2}$ a cent per mile. That traffic should not be charged with the cost of administration, nor with office or station charges, which should be charged to local traffic; and if the actual wear and tear of rolling stock, the fuel and handling, be taken into account, a tariff of $\frac{1}{3}$ of a cent per mile per ton would leave a margin for profit, the cost price of haulage not exceeding $\frac{1}{6}$ of a cent per ton per mile. The laws of commerce are now being revolutionised. The tendency to sacrifice everything to celerity is growing constantly. Competition has necessitated rapidity. The costly steamers have driven away the sailing vessels. The desire to forestal one's neighbor in the acquirement of every new article is, to-day, one of the mainsprings of trade and commercial life. When I said that the transhipment of freight would entail a disadvantage against the Canadian Pacific route from Asiatic ports, I should have added that the cost through Suez Canal is increased by the toll rates on the canal, viz.:

		Fr. Centimes.	
Canal toll	Per ton	9 50	$1 90
Anchorage	"	0 2	0 00½
Towage	"	2 0	0 40

Added to that is the disadvantage of being obliged to have comparatively small steamers for that trade. It has been established that a steamship drawing 23 feet of water touched bottom fifty times during the voyage. Then you have the increased rates of insurance, in consequence of the dangers of the canal and its approaches; that increased expenditure represents not less than 2 per cent. In one word, the whole question is reduced to this: The difference between the two routes, from Liverpool to Yokohama, is the difference which exists between 2,911 miles of railway transportation, from Coal Harbor to Montreal, and 4,305 miles of transportation by water, including the passage through the Suez Canal.

	Miles.
The distance run by steamer from Liverpool to Yokohama is	11,275
The distance between Yokohama to Coal Harbor, and from Montreal to Liverpool, being	6,970
There remains	4,305

of the Suez route to bring against the 2,911 miles of transcontinental railway remaining to complete the Canadian Pacific Railway route. The extra cost of transhipment by the Canadian route is compensated for by the canal tolls and other charges, with the additional rates of insurance on the Suez route, so that we remain with the difference of cost between 2,911 miles of rail and 4,305 miles of water transportation. I do not hesitate in saying that the gain in time and the gradual reduction of railway tariffs will inevitably turn the scales in favor of our Canadian route. If I am told that a difference of thirteen days in the voyage is not important to the merchant, which I deny, I say that sailing vessels employed from Yokohama to Coal Harbor would not lengthen the time of the voyage as compared with the Suez route, and would reduce the rates from Liverpool to Yokohama in the following proportion:—

From Liverpool to Yokohama the rates are		$38.38 per ton.
On the average, or about ½ of a cent per ton per mile.		
From Yokohama to Coal Harbor, by a sailing vessel, the freight would cost	$ 3.48 per ton.	
From Coal Harbor to Montreal (¾ cents p. mile)	21.83 "	
From Montreal to Liverpool (¼ cent per mile)	6.97 "	
		$32.28
Leaving, in favor of the Canadian route, a difference of		$6.10 per ton.

Another advantage, and this is perhaps the strongest point in favor of my belief in the future success of our Canadian route between Europe and Asia, is the fact the Asiatic trade

is almost wholly in the hands of British merchants and capitalists, who will carry that trade through the channels of their own choice. In vain did the Americans struggle against that state of things; their efforts failed. It is impossible to find the confession of a defeat more plainly made than in the following extract from the reports of the Commerce and Navigation of the United States, for 1884, page 104:—

"I will answer your question, says Mr. Atkinson of Boston, to the chief of the Bureau of U. S. Statistics, in respect of the export of our goods and wares. You will observe that it is a matter of necessity, and not of choice, for Europe to purchase grain, meat, oil and cotton in greatest measure from this country, paying for these supplies as far as possible, in such goods and wares, commonly called manufactures, as we are accustomed to take, and passing to our credit the remainder of the sum due us in cash. Against this cash we draw bills in payment for sugar, tea, coffee, hides, and other articles, which are furnished us by nations which are not yet 'manufacturing nations,' according to the common use of that term. This balance of cash due us for grain, meat, cotton, etc., is transferred in London to the credit of merchants in China, Java, Africa, South America and other countries, whom we owe for tea, coffee, wools, hides, etc., and is applied by them in payment of British manufactures, viz., cotton fabrics, woollen fabrics, worsted fabrics, metal work, and other commodities, commonly called manufactures. That is to say, Great Britain imports from the United States cotton, meat, oil and grain in greater amount than she sells manufactured goods to the United States. We import from China, Africa and South America, tea, coffee, sugar, hides, etc, in greater amount than we sell manufactured goods to them. Great Britain works up or converts our raw material into manufactured goods and sends those goods to China, Africa and South America, in payment for the raw material, or the tea, coffee and sugar we have purchased.

"Why should this three-cornered traffic continue. Why do we not convert our own raw material into manufactured goods and exchange directly with the non-machine using nations, of whose products we are large purchasers.

"Many of the goods of these several classes are made in the United S[illegible] of better quality, sometimes at a less cost and sometimes at a greater cost than in Great Britain. Why, then, is not this cash, [illegible]s at our credit in London, applied directly to the purchase of [illegible]can goods rather than of British goods?

"For a long time this question puzzled me; I could not solve it, until I had studied the conditions of commerce in Great Britain on the spot.

"My conclusion was that while quality and price enter measurably into the conditions which control that exchange of products which constitutes commerce, yet modern science and modern instrumentalities for production have brought the quality and price of manufactured goods—such as textiles, hardware and the like—so nearly to the same standard that commerce is no longer controlled, in any great measure, by either quality or price in respect to such manufactured goods. But such differences in quality and in price as exist, being very small elements, are more than counterbalanced by facilities in respect to transportation, in respect to banking or exchange, in the technical sense, and, more than all, in respect to the facilities for obtaining credit on the part of the middlemen who work the trade—this last being the greater factor. For instance, there is no doubt that buyers in South America would greatly prefer to buy American cottons at their relative quality and price rather than British cottons. Why don't they do so?

"We buy a great deal more from South America than we sell to her, and we pay cash in London for the difference.

"Why don't they take goods in place of cash, if they prefer the goods?

"Why has not a system of steamship communication been established, without any bounty or subsidy, between the United States and South America, as has been done between Great Britain and South America?

"The reason was far to seek; but I think I will give you the true one.

"All the traffic of South America in manufactured goods and wares is done on a very long credit. How is it done?

"The credit is not granted by the manufacturer of the goods, but it is worked in this way:

"The manufacturer of cotton goods, for instance, sells the cloth 'in the grey' to a warehouseman, so called. The warehouseman pays him the cash for it, substantially, on delivery. This warehouseman, middleman or merchant, causes these goods to be bleached, printed or otherwise prepared for each particular district or market in South America, packs them, according to the exact section to which they are to be sent, in small packages, suitable for a mule-back (if they are to be carried into the heart of the Andes), makes his arrangements to ship them by one of the daily steamers to South America, then makes his bill of lading, ear-marked with the designating marks and number of the packages, with the invoice attached, to a banker, and gets his bill discounted on for four or six months, with the expectation of renewal for four or six months longer, if necessary, and the cash or proceeds of our wheat, cotton and oil which we have remitted for our South American purchases forms a part of the deposit of this very banker, on the basis of which he is enabled to grant this credit. But this would not suffice. These goods are carried to the interior of South America, to great fairs, to interior towns, and to various points of distribution, and are there practically bartered for whatever the people, who have no money, but who have other commodities, desire to sell. These other commodities, whatever they may be—wool, hides, ores, nitrates, or anything else—being freely admitted into Great Britain, for the purpose of distribution, wherever they are needed, therefore come back to England to be sold, and out of their sale the warehouseman ultimately recovers his money, and pays up his credit granted by the banker in London. London being a great free port, has become, of necessity, the money centre or credit centre of the world.

"In other words, commerce is now carried on so small a margin, and on such a greater scale, that the profit or loss depends on the cost of transportation, the rate of exchange and the facilities for credit."

In examining the causes which have prevented the traffic of Asia passing through the United States, Mr. Nimmo, the chief of the Board of Trade in the United States, says, in his last report, page 57:

"But a third, and perhaps the most important condition restraining a large and general exportation of products of American manufacture, is the fact that commercial enterprise in this country has shaped itself to the habits and requirements of our vastly larger and more profitable internal commerce, and that our merchants have, from the prompting of self-interest, left the more complex and less remunerative field of foreign commerce to be explored and cultivated by the merchants of countries whose internal resources and possibilities are incomparably less than are those of the United States."

In other words, the Americans, who have a genius for manufactures and railroads, have less aptitude for trade and navigation, and are as much be[illegible] in the latter as they are

ahead in the former. Under all these circumstances, it is not unreasonable to believe that the Canadian Pacific will become the national route of England, and be preferred to the Suez Canal, a neutral route, which, besides, is controlled by a majority of French shareholders; and when the time comes, as it soon will come, when vessels of a larger class will be the only ones to plough the seas, Englishmen, forced to adopt the Canadian route, will do it the more easily that they will be induced to do so by all sympathies of race, of flag, and I am allowed to use the expression in its highest sense, by national prejudices, a most potent motive among all nations; and gradually one will reach from Yokohama to Shanghai, Manilla, Yeddo, Saigoon, Hankow, Chefoo, Singapore, etc., and finally to all commercial centres in Asia. But whatever may happen with reference to through trade, it is undeniable that the Canadian Pacific Railway will change the route of a portion of our own trade. We import about 40,000,000 pounds of rice, tea and coffee, without mentioning large quantities of drugs, spices, essential and volatile oils, etc., the products of Asia. If we consider that last year, for instance, we used the Union Pacific for our importation of nearly 4,000,000 pounds of tea, we can well understand that the Canadian line will get the traffic. Last year the United States exported to China and Japan 45,000,000 yards of cotton cloth, over 1,000,000 pounds of fish, 30,000,000 gallons of lighting oil, etc. What is there to prevent us, with the advantage of a route shorter by 444 miles of railroad and 470 of navigation, competing for this trade? For instance, the freight rate on tea, from Shanghai to New York, is $47.50 per ton. The distance being 5,515 miles by sea and 3,320 miles by railway, it may be said that the steamer receives $13.79, or $\frac{1}{4}$ of a cent, and the railway $33.71, or 1 cent per per mile. The Canadian route would make the same profit exactly if asking $42.16 for the same goods, that is to say, $\frac{1}{4}$ of a cent for 5,135 miles of navigation and 1 cent for 2,911 miles of railway. Here is the way, then, for a reduction on the freight rate of $5.34 per ton, or of 11 per cent. The Canadian Pacific will soon have the control of the Asiatic trade, if not for the whole of Europe immediately, at least, immediately for North America.

But I will go further, Mr. Speaker; I claim that the Americans will use our route to reach both the Pacific and the Atlantic shores, and they do not make a secret of it themselves. In the official report on internal commerce for 1884, by Worthington, I find, on page 97, the following significant passage:—

"The main line of the Canadian Pacific Railway will extend from Montreal, in the east, to a port in British Columbia.

"This new transcontinental rail line will, by virtue of the reciprocity of transportation facilities which exists with respect to traffic over railroads of the United States and of Canada become essentially a part of the railroads of the United States. The proprietors and managers of the Canadian Pacific Railway can also acquire the ownership and control of railroads in this country, if they be inclined to do so, and they possess the energy, tact and financial ability requisite to the accomplishment of that object, just as such control of railroads in the United States has already been acquired by the management of the Grand Trunk Railway. By this means, or by means of traffic arrangements entered into with railroads of this country, the Canadian Pacific Railway, like the Grand Trunk Railway, may be enabled to compete sharply with the railroads of the United States in the conduct of our internal commerce."

It is a singular fact that the distance from Chicago to San Francisco is exactly the same as that from Chicago to Coal Harbor *viâ* Winnipeg, viz. :

	Miles.
From Chicago to San Francisco *via* Omaha.....	2,357
" Chicago to Winnipeg, miles.....	874
" Winnipeg to Coal Harbor, miles.....	1,483
	2,357

And Coal Harbor is nearer China and Japan by 470 miles. As to the trip towards the East, there is not, it appears, the least doubt in this House, since the Opposition have already recorded their opinion. We read in the Minutes of Parliament of the 26th of January, 1881 :

"Mr. Laurier then moved, in amendment, that the said resolutions be not now read a second time, but that it be *Resolved*, That the contract respecting the Canadian Pacific Railway provides for the construction of between 600 and 700 miles of railway to the north of Lake Superior, between Lake Nipissing and the junction with the road from Thunder Bay, through a difficult and uninhabited country and at a vast expense; that a mere fraction of the cost of this road would, if applied as a basis of credit, secure the construction of those 63 miles common to the through line and to the Sault Ste. Marie Railway, and also of the remainder of the line to Sault Ste. Marie, within three years; that the line by Sault Ste. Marie would give Ontario, Quebec and the East railway connection with the North-West of nearly the same length and of better quality than the proposed North Shore line; that it would also give to Canada a great trade from an enormous area of the Western States, extending from the boundary to a point south of St. Paul, and even now inhabited by about 1,200,000 souls; that it would secure a way traffic; that it would thus give, within three years, and at a fraction of the cost of the other line, greater benefit than can be secured by that line in ten years, which is the period stipulated for its construction; that it would bring both the Western States and the Canadian North-West into connection by rail with the ocean steamers at Montreal and Quebec on a route shorter, by about 300 miles, than the existing route to New York; that this advantage, together with the further gain of about 250 miles in the ocean voyage to Liverpool, would give this route a commanding position, and secure great benefit to the country at large; that the construction of the line to the Sault or Goulais Bay would also give a first-class rail and water route *viâ* Sault Ste. Marie and Thunder Bay, within our own limits, by the shortest possible line, for the transport

of emigrants, goods and produce; that the construction of the line from Sturgeon River to or beyond Thunder Bay to the north of Lake Superior is, under the circumstances, premature, and should not be now undertaken."

Let us take Brainerd, for instance, one of the stations on this end of the Northern Pacific Railway, and we find the following distances:—

	Miles.
From Brainerd to Pacific Junction	91
Pacific Junction to L'Anse	158
L'Anse to Marquette	26
Marquette to Sault Ste Marie	150
Sault Ste. Marie to Callander	244
Callander to Montreal	345
Total	1,014
From Brainerd to New York, *viâ* St. Paul and Chicago, the distance is	1,509

Here is, for the Northern Pacific, that is to say, for the whole North-West, from Portland, an outlet 500 miles shorter than by any other route. The distance between Montreal and New York being 382 miles, the Northern Pacific will, therefore, save 113 miles in reaching New York *viâ* Montreal, instead of passing through Chicago.

I believe in the future of the North-West, because our geographical position gives us the advantage, because the climate of the Assiniboine and the Saskatchewan is better than that of Montana, because British Columbia has advantages superior to those of Washington Territory, and because, intellectually, we are not inferior to our neighbors; and with the supply of labor which Great Britain is sending us, as well as with the market which she liberally opens to our agricultural products and to our cattle industry, we must inevitably follow the same ratio of development as was obtained by the construction of the Northern Pacific. That ascending march in the path of wealth and progress which that great American enterprise has opened is too interesting not to be examined. It is not difficult, in our day, to make a study of the philosophy of railways. The results obtained in the past clearly demonstrate that every dollar invested gives in return one hundred dollars. If we study the western part of the United States, we see that the two American Pacific railways, the Northern and the Central, had to cross tracts of wild and waste lands, as in the case of the Canadian Pacific Railway. The regions more especially of this character were—for the Northern: Dakota, Montana and Washington; for the Central: Wyoming, Utah and Nevada. Let us follow the increase of those territories, in population and wealth, after the construction of the railways:

1860.	Population.	Wealth.	No. of Miles of Railway.
		$	
Dakota	4,837	.....	.....
Montana	.....	.....	.....
Washington	11,594	5,600,000	.....
Wyoming	.....	.....	.....
Utah	40.273	5,596,118	.....
Nevada	6,857	.....	.....
	63,561	11,186,118	.....
1870.			
Dakota	14,181	6,000,000	65
Montana	20,595	15,200,000	.....
Washington	23,955	13,560,000	25
Wyoming	9,118	7,000,000	447
Utah	86,786	16,160,000	257
Nevada	42,491	31,134,000	593
	197,126	89,054,000	1,387
1880.			
Dakota	135,177	118,000,000	1,265
Montana	39,159	40,000,000	48
Washington	75,116	62,000,000	274
Wyoming	20,789	54,000,000	472
Utah	143,963	114,000,000	770
Nevada	62,266	156,000,000	769
	476,470	544,000,000	3,598

Those territories, which contains 639,485 miles in superficies, had, in 1870, a value of $89,000,000, viz., $149 a mile. Ten years after the national wealth had increased by $455,000,000, and the same area was valued at $850 a mile, and an increased population of 279,344 inhabitants were contributing to the development of the national industries. The North-West Territory and British Columbia have a superficial area of 895,000 square miles, equal to the territory of the following States:—

	Miles.
Illinois	56,000
Michigan	57,030
Minnesota	79,205
Iowa	56,000
Dakota	149,100
Montana	149,080
Washington	69,180
Wyoming	97,890
Utah	84,970
Nevada	62,266
	858,121

In 1880 these eight States or Territories represented the following totals:—

Population	5,970,000
Wealth	$7,847,000,000
Number of miles of railways	23,827

The history of the development of the Western States is full of interest and information. Let me give you the total increase in the construction of railways, at each census, in the following States and Territories:—

	1850.	1860	1870.	1880.
Illinois	110	2,790	4,823	7,953
Michigan	342	779	1,638	3,931
Wisconsin	20	905	1,525	3,130
Minnesota			1,072	3,108
Iowa		655	2,683	5,235
Kansas			1,561	3,439
Nebraska			1,812	2,000
Missouri		817	2,000	4,011
California		23	702	2,220
Oregon			159	582
Nevada			593	769
Dakota			65	1,265
Arkansas			256	896
Colorado			157	1,581
Utah			254	770
Washington				274
Wyoming			429	472
Montana				48
	472	5,969	19,075	41,426
				5,969
				35,457
Average in twenty years				1,773

Let me now give you the increase in population and wealth:—

POPULATION.

	1860.	1870.	1880.
Illinois	1,711,000	2,539,000	3,077,000
Missouri	1,182,000	1,221,295	2,168,308
Wisconsin	775,000	1,054,000	1,315,497
Michigan	749,000	1,184,000	1,636,937
Iowa	674,913	1,194,000	1,624,615
California	379,994	560,000	864,000
Minnesota	122,000	439,000	780,000
Kansas	107,000	364,000	996,000
Oregon	52,000	90,000	174,000
Utah	40,000	86,700	144,000
Colorado	34,200	39,864	194,327
Nebraska	28,000	122,093	452,400
Washington	11,594	23,955	75,118
Nevada	6,857	42,490	62,266
Dakota	4,837	14,180	135,177
Idaho		15,000	32,610
Montana		20,595	39,159
Wyoming		9,118	20,784
	5,828,395	9,519,790	13,692,198
			5,828,395
Increase in population			7,863,803
Average of yearly increase of population			393,190

WEALTH.

	1860.	1880.
Illinois	$ 871,860,000	$ 3,210,000,000
Missouri	501,214,000	1,562,000,000
Wisconsin	273,671,000	1,139,000,000
Michigan	257,163,000	1,580,000,000
Iowa	247,338,000	1,720,000,000
California	207,874,000	1,340,000,000
Minnesota	52,294,000	792,000,000
Kansas	32,327,000	760,000,000
Oregon	28,930,000	154,000,000
Utah	5,596,000	114,000,000
Colorado		240,000,000
Nebraska	9,131,000	385,000,000
Washington	5,601,000	62,000,000
Nevada		156,000,000
Dakota		118,000,000
Idaho		29,000,000
Montana		40,000,000
Wyoming		54,000,000
	$2,491,949,000	$13,055,000,000
		2,491,949,000
Increase of wealth		$10,563,051,000
Average of yearly increase of wealth		528,000,000

The foregoing statements give the following totals:—

Average of yearly increase in		Railways	1,773 miles.
do	do	Population	393,190 inhabitants.
do	do	Wealth	$528,000,000

This will prove that every mile of railway has caused, in twenty years, in those States or Territories, an increase of 222 inhabitants and of $300,000 to the country. In the course of last year the exports of agricultural products from the ports of New York, Boston, Portland, Philadelphia and Baltimore, amounted to $536,315,318. And it has been ascertained, by the statistics, that 95 per cent. of those products came from the States or Territories before mentioned. The same causes always bring identical results, and we find a proof of that in making a comparison with the Canadian North-West. Since 1873 the population of the North-West Territory has increased by 250,000, and the increase in the Customs and Excise is as follows:—

	Customs.	Excise.
1874	$ 66,509	$ 4,287
1875	179,377	8,176
1876	262,492	19,716
1877	225,314	24,018
1878	344,305	39,022
1879	294,591	53,741
1880	321,179	64,665
1881	471,845	97,678
1882	1,103,678	156,794
1883	1,833,655	183,872
1884	735,544	156,259
1885 (9 months)	475,132	115,992

The quantity of lands sold is another proof of the development of the country. Excepting the sales made by the Canadian Pacific Railway Company, the Dominion Government has received the following amounts since 1877:—

1877	$ 3,799
1878	19,424
1879	23,828
1880	120,479
1881	131,124
1882	1,744,456
1883	1,009,019
1884	951,636
1885	400,165

There seems to have been a diminution in the last months. But we must not forget that the greatest amount of sales is generally made in the spring, and that the North-West troubles have this year stopped the influx of emigrants and the business in those regions. We must also consider the fact that immigration, here as well as in the United States, decreases at certain times. For instance, I may give you a statement of the yearly immigration to the United States:

1875	227,698
1876	169,986
1877	141,857
1878	138,769
1879	177,826
1880	457,257
1881	669,431
1882	788,992
1883	603,322
1884	518,592
1885 (1st December—6 months)	243,413

But if there is a momentary lull in our immigration, there is still a great number of new settlers going to the North-West, as may be seen by the following statement:—

Sales from 1st July, 1884, to the 1st May, 1885—

Homesteads—1,860, of 160 acres	297,600	
" 520, of 80 "	41,600	
		339,200
Pre-emptions—1,016, of 160 "	162,560	
520, of 80 "	41,600	
		204,160
Sales		$109 40

Not including 153 McLean town lots sold...652,760 acres.

It has been said, in the House and in the press: Why does not the Government exercise its right of taking possession of the road, if this company cannot finish it, rather than make a further advance of funds? A poorer policy could not have been adopted. We must not forget that private capital to the extent of $29,000,000 is engaged in this enterprise, and that investors would not likely abandon

their money, perhaps their whole fortune, on the mere bidding of the Government. Private capital has the right to protect itself; it is its duty to do so; and in the present case, as there is still six years in which to deliver the road, they would do it. The Government has no interest in the ruin of individuals. The Northern Pacific has been the cause of two catastrophes of this kind, the shock of which has been felt in every part of the great Republic. The failures of Jay Cooke and of Willard have each produced a sharp financial crisis, even in such an immense market as New York, with the enormous business transacted there for the whole Union. If the shock has been so severe in the States, I wonder what would have become of our moneyed community under similar circumstances? I cannot imagine anything but a mass of ruins, under which our commercial institutions would have been buried and our banks shaken to their foundations. No Government would dare to take the property of a company without indemnifying it for disbursements already made. Governments cannot despoil individuals in such a way and take advantage of their difficulties and helplessness, to "grab" the fruit of their labor and savings. When the Government requires money it raises it through a tax borne by all equally; it cannot seize the pocketbook of any citizen and enrich itself at his expense. It is true that the law enacted last year seems to have established a contrary principle; but, in fact, it had no other object than to secure the control of negotiations, and to prevent, without our leave, the inconsiderate use of the railway resources. No serious man would venture to say that in taking the road the law has provided that the Government should not indemnify, at least partly, the shareholders who have, in good faith, invested their money in that enterprise. These words, I know, will be taken up by the hon. leader of the Opposition, who, imbued with this elementary truth, said last year: "Why such rigor, why such a terrible clause, authorising you to take possession of the railway without legal proceedings? You would not bring yourselves to take back this railway without indemnifying the individuals who have invested their money in it?" Nobody, as far as I am aware, has specially contradicted the hon. member on this point. We needed this rigorous clause to watch the construction of the railway and the operations of the company, and to make the company and the people understand that in an extreme case we could go as far as propriety would allow. We never thought of using it as an excuse for spoliation. To take possession of the road, the Government, then, would

have to disburse a good portion of the $29,000,000 of paid up shares, less the deposit already in their hands to secure the payment of the interest. Since the company requires $15,000,000 because new necessities have arisen, we could not have avoided this responsibility, and therefore we would have had to begin by adding something like $30,000,000 to our national debt, and this when we had an amount of $25,000,000 of our bonds to redeem and $30,000,000 to borrow. Who can say how much Canadian securities would have fallen under the immense temptation for stock-jobbing that such an important loan negotiation would have created? I do not hesitate to state that the result of such an operation would have been an enormous loss to the Treasury. What I say now is not a new argument. The hon. leader of the Opposition used that argument before me. It is true, he apparently used it in a sarcastic manner, but he felt, all the same, that the argument was a sound one, when he said:

"And in what position would the Government and Parliament be, if, at the end of these two years, default should be made? Are you going to sacrifice the interests of those shareholders—those poor people who have spent money on the road, who have done so much good to the country, who have built a road faster than ever a road was built before and spent more money upon it than ever was spent before? Your charity and confidence and sympathy are immense; are you going to foreclose, hard hearted usurers that you are? You, who said yourselves that the security was worth two or three times the sum advanced, are you going to shut down and turn these people out of house and home, strip them of their palaces, take away their lordly equipages? Surely you will not behave so badly! That will be the appeal which will be made; that will be the appeal which will be listened to. The past tells us what the future will be."

Yes, Mr. Speaker, we could not take possession of the road under circumstances which would have been so burthensome to us and so unjust to the company. Naturally, the Opposition would seek to turn the argument against me as to another part of my remarks, when I demonstrated that this year's legislation leaves us all our guarantee. If we cannot touch the road now, how could we do so later? There is this difference in the two situations: It is, that the shareholders, who have willingly risked $29,000,000 in this enterprise, should have the benefit of their venture. We should not take it away from them before they could see the results of their attempt. They would have the right to tell us: "Since we have had the pluck to risk $29,000,000, give us the chance to see the end of our undertaking. We are now on the eve of success. A general crisis strikes us, as it has struck all institutions and all countries; give us time to tide it over. You shall lose nothing, as we are going to borrow ourselves what you yourselves would have to borrow should you take our place."

The demand would have been a just and sensible one; but it will have no force when, once the road completed, the company shall have seen the result of its ventures; when, once the road is under full operation, it will have to derive from the resources required to meet its obligations. If the road pays, nothing will remain to be said, since we will receive our interest; if it does not succeed as well as expected, then the Government will be in the position of business men looking to their own protection; I have no doubt that the $15,000,000 of bonds will soon be taken by the public. When the company has placed itself in the hands of the public it will not have the same reasons to call upon us for assistance; the transaction will have reached another stage, and if, even then, we can protect ourselves in protecting the shareholders, it will become a duty for us to do it. But what I want to say is, that it will no longer be our bounded duty to incur any further risk, and that we will always have such a control of the situation that we can protect ourselves against any disaster, if the company is not prepared to ward off the blow. In other words, it is the duty of a Government to be patient in all transactions affecting the financial position of private persons, and to do its best to protect them; but when all is said, when nothing is left but to choose who will bear the loss, the Government or the private individual, then it is soon enough for the Government, if its titles are properly secured, to claim its due. We do not want to lose a cent of our advances to the Pacific, and we have taken the proper means not to lose them. I am not of those who believe that the Government ought to be anxious to take possession of a railway, because they cannot work a railway with the same advantage as private individuals. However great may be the integrity of the employees, the zeal and public spirit of the Ministers, it is impossible for any Government to compete with individuals when economy is concerned. They do not possess the same resources, and cannot give the same excuses. A step, shabby or mean, sometimes, that personal interest would justify in a company, would become a grievance, or leave a stain, if taken under the patronage of the Government. The outside pressure weighing on a Minister is irresistible, sometimes; and how can a Government be free enough in its action to compete with the marvellous activity of railroad men, who never back down before any obstacle. These great organisations are generally profitable only because they stimulate trade themselves. They have their steamers, their

warehouses, their commercial firms; they build up their own freight, when the public do not give them enough; they have to defend themselves against such cut-throat schemes as are organised against them, or to organise some such themselves. How can you expect a Government to become a trader, ship owner, manufacturer, miller, stock-jobber, bull or bear on the money market, destroyer, if need be, and an implacable rival of the people under their jurisdiction? It would give rise to ceaseless accusations of favoritism or injustice. Should their tariff be regulated by those of other companies a cry of monopoly would follow; if they reduced them it would become a disloyal competition. Were they fixed permanently, the trade so delicately influenced by the supply and demand, by over-production or scarcity, would not really find its proper level. At times they would be too high, at others too low. In a word, you would have destroyed what is the greatest strength of a nation—the individual initiative; you would have subordinated the intelligence of the business man, so quick and so flexible, to the theories of the political man, groping among experiments on economy, without knowing the value of audacity and a spirit of enterprise, which, for individuals, are worth dollars and cents. Traffic would be guided according to local instead of commercial views; no force in the world can counterbalance political laws, which are the same everywhere; therefore, English ideas do not favor the working of a railway by the Government. The Intercolonial is an exception imposed upon us by circumstances. But such a state of things cannot exist as far as the Canadian Pacific is concerned, this line being necessarily always fighting and competing with others for existence.

At the time of the enquiry made by the English Parliament in Great Britain, in 1867, on the opportunity for the acquisition of the railways by the State, public opinion was unanimously against the scheme, and in quoting a few sentences of the report resuming the evidence, I establish, without any doubt, the theory I am now trying to develop. This report is found in the 38th and 39th volumes of the Sessional Papers of the House of Commons of 1867. We read:

"We have next to consider, if the State owned the railways, if it would be able to improve the system of management. None of the witnesses have recommended direct management by Government officers, but in the opinion of some, great advantage would be derived from the adoption of a plan of leasing the railways in groups." Pap. xxxv., Report 1867, vol. 38, p. 12.

"The practical result of any scheme for the national purchase and leasing of railways would be merely to substitute the lesser sense of

responsibility of a lessee for a limited period, administrating the property of others for the heavier and more durable responsibilities of owners managing their own property." Pap. xxxvi.

"In France, the absence, almost complete, up to the present time, of all competition amongst railways, discard that valuable equilibrium which is the safeguard of British industry." Pap. xxxvii.

"The plan of direct management by the Government itself seems to meet with condemnation on all sides, the chief objections raised being the went of a direct interest, the want of thorough knowledge or peculiar aptitude, the habit of costly management, and the danger of abuse in patronage." Page 112 same Report.

The country, on different occasions, has expressed its opinion, and its decision has never varied. The Act of 1872, authorising the construction of the railway, declared positively that it should be constructed by a private company, and in order that no doubt should remain about the unanimous disposition of the country, when the Mackenzie Government came into power, in 1874, it entered afresh in our statutes this universal preference in favor of private companies. And even were the weighty considerations which I have just pointed out not in existence, there still remains another, and the most important one, as it affects the relations of parties with politics. I ask what a storm would be let loose in this House if it were asked at this moment, Mr. Speaker, to invest us with the property of the Pacific Railway and the millions of patronage which it implies. With what terror would we not see the Opposition contemplate the fact that all the resources of the Pacific would lay in our hands. It would be then that all the philippics, all the violent denunciations of past and present days, would wake all the echoes of this Chamber, and no eloquence would be found expressive enough to invoke upon us the wrath of electors. Indeed, Mr. Speaker, if we had lived for the love of power we could have armed ourselves with this invincible weapon; but before thinking of the sweets of power, we must consider the duties which devolve upon it, and we must not sow dissensions in the political world. We want a frank, open and loyal contest, free from the elements as well as the appearances of undue influence.

Now, it is my duty to again ask this House to pardon me for having occupied its time so long in making the remarks I thought it my duty to make on this important question. It is not very often that I trespass upon the good will and patience of hon. members, and it is on this plea that I ask to be forgiven. I have, I think, proved that it was right for the Government to have done what they did last year; I think I have demonstrated by the facts I have put before this House that it was right for the Government

to come to the assistance of the Canadian Pacific Railway in the manner provided for in these resolutions, not by giving the money but by assisting their credit in the money markets of the world. We have not to deal with a company who have proved they are a company of jobbers, of mere contractors, but with a company who, as the whole country knows, have shown that their intention is not to make money out of the contract, but out of the returns to be obtained from the great railway they have built. I hope that we shall have the support of even my hon. friends on the other side. We anticipate criticism; we know we shall have criticism; it is right, perhaps, that there should be criticism; it is right that the acts of the Government should be scrutinised; but in this matter the Government has acted honestly, frankly, with the sole and the pure object, not of putting the finances of the country in a more difficult position than they were before, but of insuring the credit of the company, to whose existence and success the credit of the whole country is so closely united. I know that fault will be found with our conduct, but there is one hope which I must express before taking my seat, and I shall in this, for a moment, be a lecturer in favor of American institutions, of the American people, and of the sentiment which prevails in the United States. Let us unite at least in one sentiment, and that is, not to defame our country, not to decry our credit, not to try to put down our institutions or to pull down those things which we have built up, which are noble works, which are grand works, which, in the future, will redound to the credit, not only of Governments—because what have Governments to do with that?—but of the whole country. I do not object to the hon. gentleman criticising our conduct. I would not object even to see the hon. gentlemen coming to this side of House and taking the places we occupy at this moment. I, for one, would be ready to give my place up to those hon. gentlemen. Those who have had experience know that it is not for the pleasure we have in being in the Ministry that we desire to remain here; it is certainly not worth as much as the people are led to believe; and I would give my seat up to my hon. friends, and my colleagues in the Cabinet, I am sure, would willingly give up their seats, if they could only think that the hon. gentlemen who would take our places would be imbued with a greater spirit of patriotism. If we are not to have our friends on the other side coming to the rescue, not of the Government—we do not want that—but of the credit of the country, if we are obliged to say that they are always trying

to defame the good name of the country, instead of upholding its honor, they may rest assured that they will not, by this means, destroy the good name of Canada, they will not destroy the good name and fame of the statesman who has presided over the destinies of the country for the last twenty-five years, they will not event destroy the Pacific Railway, the greatest of all the enterprises we have undertaken. Since I first entered political life I have been accustomed to see the persistency of my hon. friends on the other side in speaking of the bankruptcy of the nation. I heard it in 1854, when I was not fourteen years old, on the first occasion, when I heard two of the greatest orators of our Province, the great Morin and the great Papin; I then heard statements that the Grand Trunk Railway system had brought the country to ruin and bankruptcy. I heard the same thing years afterwards, and still I have seen the country growing more and more prosperous year after year. I heard the same thing in 1866, when the scheme of Confederation was before the country, when, from parish to parish and from county to county, I, though a young man, was fighting the battle of Confederation; I heard gentlemen saying that Confederation was to be the ruin of our Province, and was to result in the bankruptcy of the whole Dominion; that the vast stretch of country embracing seven Provinces, and extending from ocean to ocean, without any backbone, would result in disaster. But, Mr. Speaker, there was a backbone; there was the energy of British subjects, the energy of the men who had made this country; and that backbone has saved the country, in spite of all that defamation, in spite of all those who have been decrying our country. I heard the same thing again in 1870; and I remember, in 1872, when I was contesting one of the seats for this Parliament, that I heard one of the best champions of liberal ideas in the Province of Quebec, my hon. friend from Verchères (Mr. Geoffrion), saying that the price paid by the Government of the day for the North-West, £300,000, was a loss to the country, and that those wild Provinces, where the buffalo still roamed, would be no profit to us. Since that I have seen millions upon millions of capital invested in that country, and thousands and hundreds of thousands of people flocking to that region, which will become the granary of British North America, as the north-west of the United States became the granary of that country. I have witnessed the progress of our country, in spite of all that has been said to retard it. And, after that, when this great enterprise of the Pacific Railway came before the public, I heard a repetition of the same

thing which I had previously heard in 1854, in 1866 and 1867, and in 1869 and 1870. I heard it in the beginning of that scheme, and still we have seen the result; we have seen the country growing more and more, and becoming the admiration of statesmen and men of business in the United States, and creating a feeling of jealousy on that side of the line. But there is one thing which I have not heard, and which I should wish to hear from my hon. friends. During my trip through the United States last year the campaign for the Presidency was in progress. Never was there a campaign in which personalities were so freely indulged in as that; personalities were at the top of all discussions that took place. It was to be regretted, and good men regretted it; but I found what I regretted I did not find in my own country, that while every one who spoke on the platform referred to his opponent as the worst and the meanest of men, not one of them dared to cast the least shade upon one of the stars of the flag of the United States, but all united in upholding the credit of the country and of every State in which the campaign was conducted. Sir, the calumnies of those who want to villify the Government and who desire to destroy the credit of the country, of those who want to destroy the great work of the Canadian Pacific Railway, will be of no avail. They will be like loose winds, blowing smoke and sand, and carrying dark things with them. Their dark ideas and their dark thoughts, everything that is dark in their heart, and which is blown and breathed against us and against this enterprise, will not do more than those winds which cannot destroy the monuments of the old world. They may give a darker shade to the granite and the marble, but the solidity of the pyramids and of the great monuments of Europe remain, as the Pacific Railway will remain, as solid as if these winds had not passed over it.

Printed by Maclean, Rogers & Co., Parliamentary Printers, Ottawa.